# HOUSING EXPORTS

## CANADIAN MANUFACTURED HOUSING EXPORTERS

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# CANADIAN MANUFACTURED HOUSING EXPORTERS

## Profile, Performance, Challenges and Needs

**CANADIAN MANUFACTURED HOUSING INSTITUTE**

for

**CANADIAN HOUSING EXPORT CENTRE**

**CANADA MORTGAGE AND HOUSING CORPORATION**

**October 1999**

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## Executive Summary

Manufactured housing firms from across Canada that are involved in modular, panelized, pre-engineered and panelized, post and beam, log, mobile, and consolidation housing were contacted by telephone and a survey was undertaken to obtain a statistical profile and determine the industry's export performance and needs.

The findings indicate that the manufactured housing industry is not homogeneous. Its six significantly different categories of factory built housing, products and respective markets vary.

The market and development cycle for an export opportunity is approximately one year. The cost to achieve a sale in a new market and the associated learning curve of executing an order for a foreign destination are significant. Small and medium size enterprises will have difficulty pursuing sales in more than one foreign market.

There is a polarization within the industry between firms relying on exports for less than 25 percent of their revenue and firms where exports account for over 50 percent of the revenue. There is also a correlation between the size of the firm and their dependence on exports. In general, larger firms tend to be less dependent on exports for their gross revenues. The small companies who are most likely to be dependent on exports for their revenues are the firms least able to afford high market development costs or pursue more than a couple of export destinations.

The study concluded that there was very little interest from manufacturers in receiving information through seminars and conferences with less than 3 percent indicating that either of these was a preferred format. There was however strong support for simple methods of communications such as fax, e-mail and print format.

The United States is a growing market and is by far the most significant export destination for Canadian manufactured housing. Business contacts and the restrictions on movement of labor were the most significant factors impacting exports to the U.S., not marketing issues as was the case with overseas markets.

While on the decline, manufacturers indicated that Japan was still an important market for the future. The manufacturers responding to the survey underscored the need to continue to promote the "Canadian Housing System" and maintain a strong market presence in Japan.

Germany, more so than any other market, was identified as having significant trade related to codes and standards. This included building code-related issues as well as product related barriers as in the case of softwood lumber.

Technical information, business contacts and opportunities were consistently identified as the most important foreign market information by the firms surveyed.

There are significant regional variances in terms of target markets and industry needs. British Columbia and Ontario account for over two-thirds of all housing exports.

**Résumé**

Les entreprises de préfabrication s'occupant d'habitations dites modulaires, en panneaux, à poutres et poteaux, en rondins, mobiles et de consolidation ont été rejointes par téléphone dans le cadre d'un sondage visant à dresser le profil statistique et à déterminer la performance et les besoins du secteur sur le plan des exportations.

Les résultats indiquent le manque d'homogénéité du secteur de l'habitation préfabriquée. En effet, affichant six catégories d'habitations usinées considérablement différentes, le produit et les marchés respectifs varient.

Le cycle d'élaboration d'un débouché sur le marché des exportations correspond à environ un an. Pour parvenir à des ventes au sein d'un nouveau marché et à la courbe d'apprentissage que représente l'exécution d'une commande pour une destination étrangère, les coûts à engager sont considérables. Les entreprises, de taille petite ou moyenne, éprouvent de la difficulté à enregistrer des ventes dans plus d'un marché étranger.

Il y a au sein de l'industrie une polarisation entre les entreprises qui comptent sur les exportations pour assurer moins de 25 % de leurs revenus et les entreprises où les exportations comptent pour plus de 50 % de leurs revenus. Il existe également une corrélation entre la taille de l'entreprise et sa dépendance à l'égard des exportations. En général, les entreprises importantes comptent moins sur les exportations pour leurs revenus bruts. Les petites entreprises, les plus susceptibles de dépendre des exportations pour assurer leurs revenus, sont le moins en mesure d'absorber les coûts élevés d'élaboration de débouchés ou d'exporter leurs produits vers plus de deux destinations étrangères.

L'étude conclut que les fabricants manifestent très peu d'intérêt à recevoir de l'information par le biais de séminaires et de conférences, alors que moins de 3 % marquent leur préférence pour l'une ou l'autre formule. Cependant, ils soutiennent fortement les méthodes de communication simples faisant notamment appel au télécopieur, au courrier électronique et à des imprimés.

Les États-Unis constituent un marché en croissance et s'avèrent de loin la plus importante destination d'exportation des habitations usinées d'origine canadienne. Les contacts commerciaux et le mouvement de la main-d'oeuvre sont les deux principaux facteurs influant sur les exportations à destination des États-Unis, et non les enjeux de commercialisation comme c'est le cas pour les marchés d'outre-mer.

Les fabricants indiquent que le Japon, bien qu'il soit en baisse, représente toujours un important marché pour l'avenir. Les fabricants qui ont répondu au questionnaire d'enquête font ressortir la nécessité de continuer à promouvoir le système canadien de l'habitation et à maintenir une présence forte au Japon.

Plus que tout autre marché, l'Allemagne est pointé comme un pays où les codes et normes constituent un obstacle de taille pour le commerce. Il s'agit aussi bien des questions liées au code du bâtiment qu'aux obstacles se rapportant aux produits, notamment dans le cas du bois tendre.

Les entreprises sondées désignent les renseignements techniques, les contacts et les occasions d'affaires comme les plus importants renseignements relatifs aux marchés extérieurs.

Il existe d'importantes variations régionales en termes de marchés cibles et de besoins de l'industrie. La Colombie-Britannique et l'Ontario enregistrent plus des deux tiers de toutes les exportations dans le domaine de l'habitation.

# 1.0 Introduction

The Canadian Manufactured Housing Institute is pleased to provide Canada Mortgage and Housing Corporation with this final report of a survey of export housing manufacturers regarding export markets and related services.

Canada's manufactured housing industry, including the almost 200 firms that make up the industry, is important both domestically and for its export potential. Canada Mortgage and Housing Corporation in its efforts to understand the needs, wants and profiles of this industry commissioned CMHI to undertake this study.

In 1999 manufactured housing firms from across Canada that were involved in modular, panelized, pre-engineered and panelized, post and beam, log, mobile, and consolidation housing were contacted by telephone and a survey was undertaken to obtain a statistical profile and determine the industry's export performance and needs. The survey was intended to be a census undertaken by The Canadian Manufactured Housing Institute (CMHI) with its membership, in addition to other housing manufacturers.

# 2.0 Research Objectives and Methodology

## 2.1 Objectives

The primary objectives of this research survey were to understand and profile the export needs of the Canadian manufactured housing industry. With this information, federal agencies support export activities are better able to develop applicable, targeted strategies that will help increase exports for the industry and for the housing sector in Canada. The objectives of the research were to:

- Undertake a profile of Canadian manufactured housing firms involved in/or interested in export
- To understand the export challenges faced by the industry
- To identify the products and services needed by the industry to support their export activities

## 2.2 Methodology

The study was conducted by the Canadian Manufactured Housing Institute and involved three phases. A review of secondary information was undertaken based on CMHI's information in its database and data available through Statistics Canada, Industry Canada, and a 1996 CMHI/CMHC study entitled A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan and Germany. In the second phase, interviews with housing manufacturers were conducted to identify some of the issues facing the industry and in the third phase a questionnaire was administered by telephone.

The telephone survey took place in November and December 1998. In all, 198 eligible housing manufacturers, representing virtually all housing manufacturers in Canada, were contacted by telephone and asked if they would participate in the survey. Up to three telephone calls were made and some firms who could not answer by telephone were sent the survey by fax to complete. Two questionnaires were prepared, the first to capture information and understand firms involved in exporting, and the second questionnaire was prepared to profile firms not currently exporting. Both questionnaires are found in Appendix A. Of the 198 members contacted, 60 telephone interviews were completed. A survey response summary follows:

Exhibit 1
**Survey Response Summary**

| Firms contacted | 198 |
|---|---|
| Less: | |
| Not exporting | 10 |
| Not interested/no time | 46 |
| No answer | 43 |
| Number not in service | 20 |
| Faxed questionnaire/no reply | 14 |
| Other | 5 |
| Completed surveys by exporters | 60 |
| Non-exporters planning to export | 5 |
| **Response rate** | **33%** |

### 2.3 Survey Participant Profile

The survey results indicate that the types of companies that make up the Canadian manufacturing housing industry today are consolidators and manufacturers of:

- Modular
- Mobile
- Panelized
- Pre-engineered
- Post and beam
- Log homes

Definitions of the manufactured housing industry are found in Appendix B.

For exporters, the survey captured firms that are currently exporting or those which indicated they have an interest in exporting over the next two years. Current exporters provided information based on their actual practices related to exporting and identified requirements that will help to further increase exports by these firms in the future. The intend-to-export segment, or those firms having an interest in exporting, provided information that will allow Team Canada to develop strategies that will aid manufacturers and consolidators in realizing their export intentions.

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The regional breakdown of respondents is as follows:

Exhibit 2
**Provincial Survey Respondents**

| Province | Respondents from each Province |
|---|---|
| British Columbia | 20 |
| Alberta | 5 |
| Saskatchewan | 2 |
| Manitoba | 2 |
| Ontario | 15 |
| Quebec | 5 |
| Nova Scotia | 6 |
| New Brunswick | 2 |
| Prince Edward Island | 1 |

Exhibit 3
**Regional Survey Respondents**

| Regional Breakdown | Respondents |
|---|---|
| B.C. & Yukon | 20 |
| Prairies | 9 |
| Ontario | 15 |
| Quebec | 5 |
| Atlantic | 9 |

## 3.0 Statistical Profile of the Domestic Canadian Manufactured Housing Industry

The statistical profile that follows of the Canadian manufactured housing is largely based on a study conducted by CMHC and CMHI in 1996 entitled A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan, and Germany. The compiled data for the 1996 profile study was based on Statistics Canada census data and extrapolations of the data were developed to arrive at market share information.

The number of firms in the Canadian manufactured housing industry identified in the 1996 profile study was reported as 187. The industry has grown from approximately 147 manufactured housing producers in Canada in 1994 to 198 current producers in 1999.

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Exhibit 4

**Number and Type of Manufactured Housing Producers in Canada**

| Manufactured Housing Description | Number of Producers |
|---|---|
| **Mobile Homes** | **19** |
| **Prefabricated Homes** | **168** |
| Modular A277 | 35 |
| Pre-cut/Package | 31 |
| Panel | 28 |
| Log | 34 |
| Post & Beam/Timber Frame | 40 |
| **Total** | **187** |

Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan and Germany, January 1996

### 3.1 Market Share in Canada

In 1993, the manufactured housing market share was 17% of total detached and semi-detached housing starts in Canada. During the early 1990's recessionary period in Canada, the manufactured housing industry held its own. While detached and semi-detached site built housing starts declined by 36% over the five year period from 1988 to1993, the manufactured housing industry declined by only 12.4% during that same period.

Exhibit 5

**Manufactured Housing Market Share – Canada**
**(as a percentage of housing starts for detached and semi-detached housing)**

| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|---|
| Site built | 115,378 | 112,666 | 89,840 | 76,125 | 82,284 | 73,276 |
| Manufactured | 17, 115 | 18,076 | 16,719 | 14,082 | 14,669 | 14,987 |
| Total | 132,493 | 130,742 | 106,559 | 90,207 | 96,953 | 88,264 |
| Market share | **12.9%** | **13.8%** | **15.7%** | **15.6%** | **15.1%** | **16.9%** |

Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan, and Germany

Exhibit 6

Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan, and Germany

⇨ **An increase in relative market share over a 5 year period indicates that the support and market acceptance of manufactured housing in Canada is increasing.**

### 3.2 Market Segment Sales

Within the total market of manufacturing housing, modular homes and pre-cut and packaged homes are the most popular type of housing. These two types of housing encompass 60% of the total Canadian home manufacturing market.

Exhibit 7

Canadian Market Segment Sales
Factory Sales Value (000's)

| | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|---|---|---|---|---|---|---|
| **Mobile Homes** | 121,797 | 144,431 | 129,733 | 127,618 | 132,760 | 113,623 |
| **Modular A277** | 267,953 | 276,360 | 274,549 | 185,316 | 204,228 | 226,075 |
| **Pre-cut/Package** | 216,918 | 226,392 | 207,497 | 160,375 | 171,714 | 180,770 |
| **Panel** | 62,113 | 73,107 | 73,107 | 72,618 | 91,444 | 108,417 |
| **Log** | 47,188 | 56,233 | 56,233 | 36,528 | 30,049 | 34,040 |
| **Multi-Unit Family** | 29,509 | 23,707 | 23,707 | 25,136 | 31,772 | 34,222 |
| **Commercial** | 67,688 | 95,227 | 95,227 | 69,517 | 65,653 | 73,991 |

Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan, and Germany

⇨ **Modular and pre-cut/packaged homes make up 60% of the total manufactured housing market in Canada.**

⇨ **Panelized housing has improved its relative market share.**

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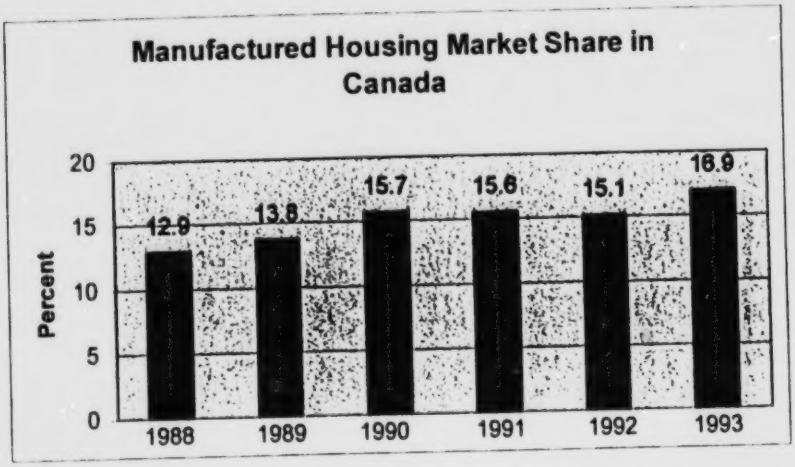


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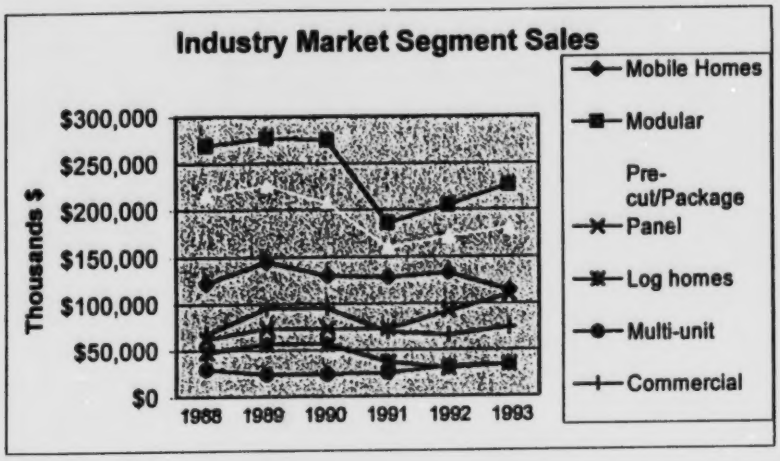
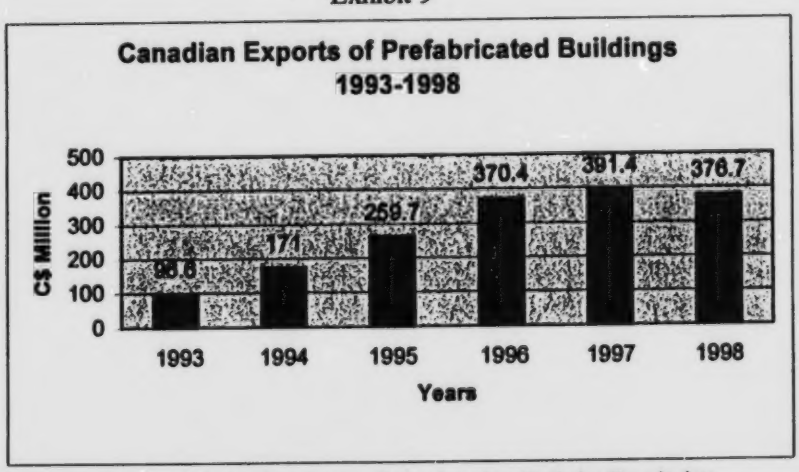



Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan, and Germany

According to CMHI records, the total production capacity for the entire Canadian manufactured housing industry is 5000-5500 units per year. Panelized housing, because it can be manufactured 12 months of the year in factories, can be "ramped-up" and produced very quickly given the need in a specific year to fulfill export or domestic market demands. Modular and mobile home manufacturers are more limited in expanding production capacity.

Exhibit 9




Source: Industry Canada compilation based on Statistics Canada data

The exhibit above illustrates that from 1993 to 1996, exports of prefabricated housing showed very positive growth, continuing into 1997. Exports declined at the end of 1997 and into 1998 in large part to the economic turmoil in Asian markets.

### 4.1 Export Markets

Exhibit 10

**Prefabricated Building Exports by Destination, 1998**

| Destination | Value of Exports ($'000 Cdn) 1998 | Value of Exports ($'000 Cdn) 1997 | Percentage Change 1998/1997 |
|---|---|---|---|
| United States | 220,976 | 135,328 | 63.3 |
| Japan | 88,802 | 181,672 | -51.1 |
| European Union | 26,265 | 27,925 | -5.9 |
| Asia Pacific | 9,575 | 21,817 | -56.1 |
| Latin America | 11,302 | 8,412 | 34.4 |
| Eastern Europe | 10,384 | 10,559 | -1.6 |
| Others | 9,347 | 5,692 | 64.2 |
| **Total** | 376,651 | 391,405 | -3.8 |

Source: Industry Canada compilations based on Statistics Canada data

Since 1997, exports to Asian and European markets have decreased and continue to show this trend for 1998 and the first quarter of 1999, though to a lesser degree. Exports to U.S. markets continue to increase substantially, with a 63% increase from 1997 to 1998.

⇨ **The United States is Canada's largest single export market for manufactured housing, valued at $220 million. This represents a 63% increase from the previous year, due in large part to the buying power of a lowered Canadian dollar.**

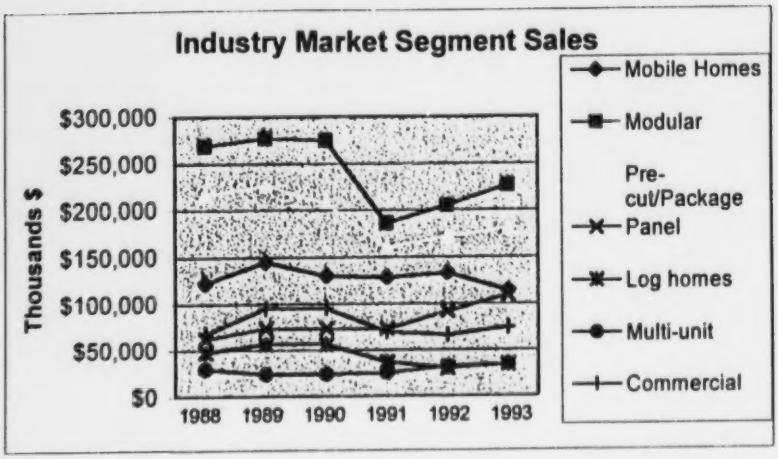
⇨ **Prior to 1998, Canadian housing manufacturers were making significant inroads into Japanese markets. Japan was the top net importer of Canadian manufactured housing, but last year demand dropped by over 50% due to Asia's economic turmoil. Increases in 1999 statistics show the Japanese marketplace could stabilize but Canada will not likely see the demand and margins of previous years.**

Exports to Japan and the Asia-Pacific region declined for the ninth consecutive quarter, however, the rate of decline in 1998 and the first quarter of 1999 is much lower than in 1997, suggesting that the market for prefabricated housing in Japan may be strengthening.

The industry's exports to Latin America grew marginally, but remained at a much lower level than the industry's three major established markets, the United States, Japan and Western Europe.

Respondents report that "Other" countries they are exporting to include: Korea, Chile and other Latin and South American markets, China, and many Eastern block countries: Russia, Croatia, Latvia, Ukraine, Poland, Lithuania. Other less mentioned markets include: the Philippines, India, Mali, West Indies, and Hawaii.

Exhibit 8

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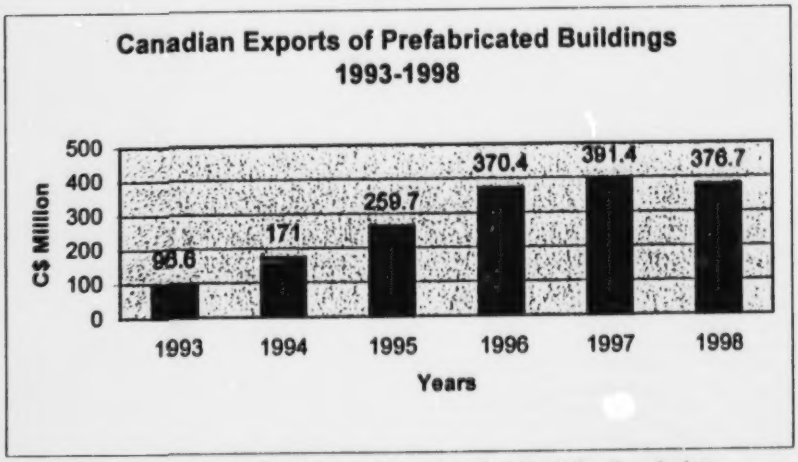


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| Latin America | 11,302 | 8,412 | 34.4 |
| Eastern Europe | 10,384 | 10,559 | -1.6 |
| Others | 9,347 | 5,692 | 64.2 |
| **Total** | 376,651 | 391,405 | -3.8 |

Source: Industry Canada compilations based on Statistics Canada data

Since 1997, exports to Asian and European markets have decreased and continue to show this trend for 1998 and the first quarter of 1999, though to a lesser degree. Exports to U.S. markets continue to increase substantially, with a 63% increase from 1997 to 1998.

⇨ **The United States is Canada's largest single export market for manufactured housing, valued at $220 million. This represents a 63% increase from the previous year, due in large part to the buying power of a lowered Canadian dollar.**

⇨ **Prior to 1998, Canadian housing manufacturers were making significant inroads into Japanese markets. Japan was the top net importer of Canadian manufactured housing, but last year demand dropped by over 50% due to Asia's economic turmoil. Increases in 1999 statistics show the Japanese marketplace could stabilize but Canada will not likely see the demand and margins of previous years.**

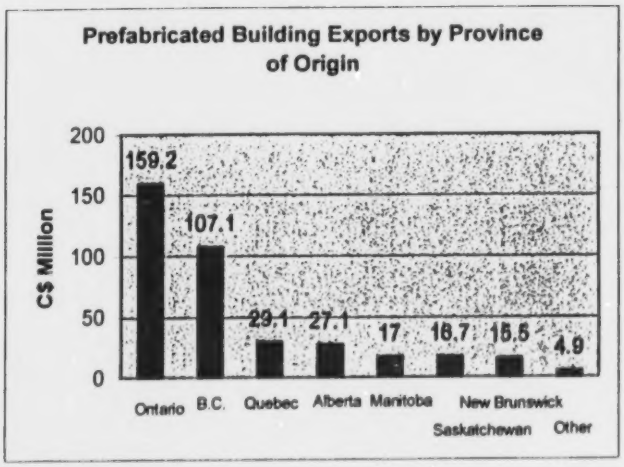
Exports to Japan and the Asia-Pacific region declined for the ninth consecutive quarter, however, the rate of decline in 1998 and the first quarter of 1999 is much lower than in 1997, suggesting that the market for prefabricated housing in Japan may be strengthening.

The industry's exports to Latin America grew marginally, but remained at a much lower level than the industry's three major established markets, the United States, Japan and Western Europe.

Respondents report that "Other" countries they are exporting to include: Korea, Chile and other Latin and South American markets, China, and many Eastern block countries: Russia, Croatia, Latvia, Ukraine, Poland, Lithuania. Other less mentioned markets include: the Philippines, India, Mali, West Indies, and Hawaii.

## 4.2 Exports by Province

Exhibit 11




Source: Industry Canada compilations based on Statistics Canada data 1998

Seventy-one per cent of Canadian prefabricated housing exports originate in Ontario and British Columbia. The total Canadian industry export market is $376 million and exports from Ontario alone were $159 million in 1998, 75% of which was shipped to four states in the U.S: New York, Florida, Michigan, and Texas.

British Columbia's prefabricated export sales in 1998 were $107 million, with 61% ($65.1 million) being shipped to Japan. The United States was also a large market for B.C. with customers primarily in Washington, California, Arkansas, and Colorado. Germany and China were also important export destinations for B.C.

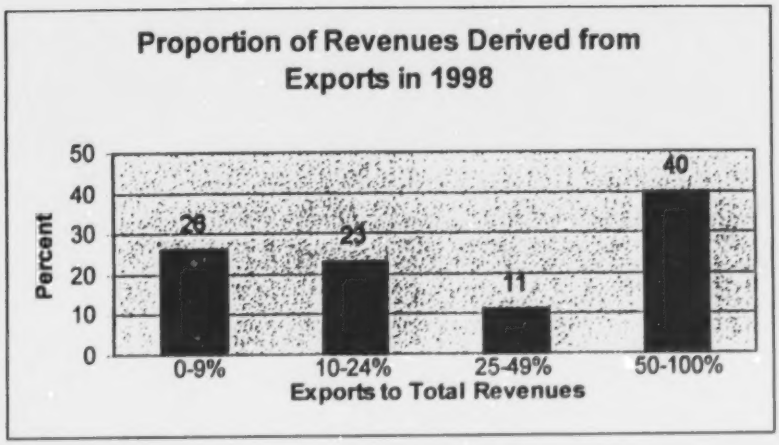
⇨ **71% of total Canadian exports of prefabricated buildings originate in Ontario and B.C.**

⇨ **Firms in Ontario show the strongest export revenues to U.S. markets mainly in New York, Florida, Michigan, and Texas.**

⇨ **Firms in B.C. ship mainly to Japan and the U.S. B.C.'s American customers are located in Washington, California, Arkansas, and Colorado.**

### 4.3 Export Revenues

Exhibit 12

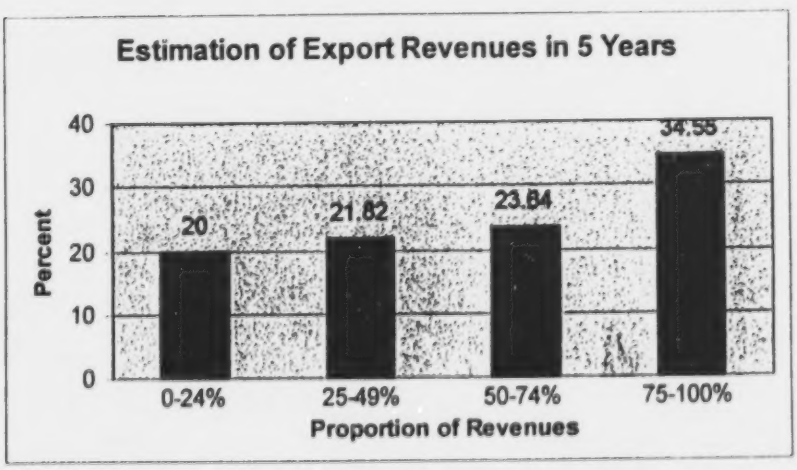



Source: 1999 Canadian Manufactured Housing Survey

Significantly, about 40% of respondents reported that export sales were responsible for over half of their recent total revenues. This is important as results indicate 40% of housing manufacturers are dependent upon exporting and maintaining export growth for their ongoing success. The other 60% of respondents rely on the domestic market and may be "testing the waters" for exports.

⇨ **There is a polarization effect in exports - housing manufacturing companies are either in exports heavily or they are not. The result is that the 40% of companies that derive more than 50% of revenues from exports have very different needs.**

Exhibit 13

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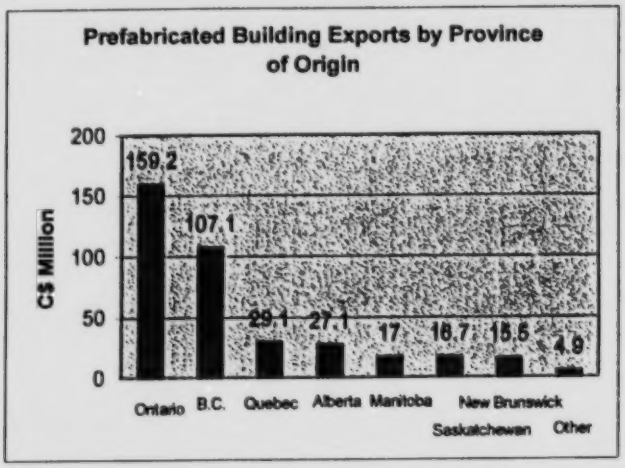


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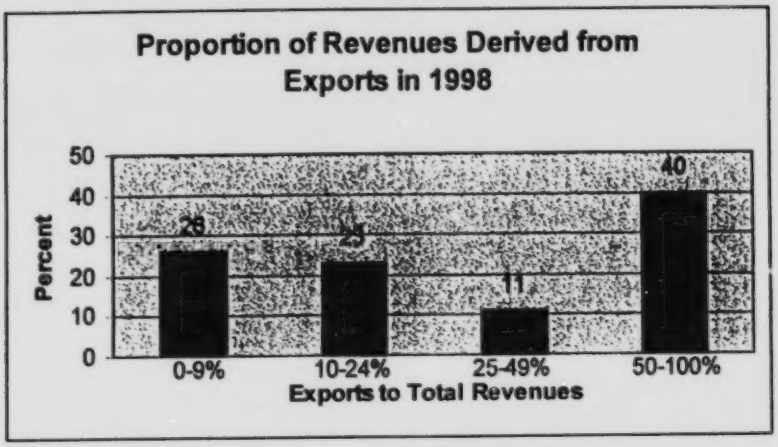


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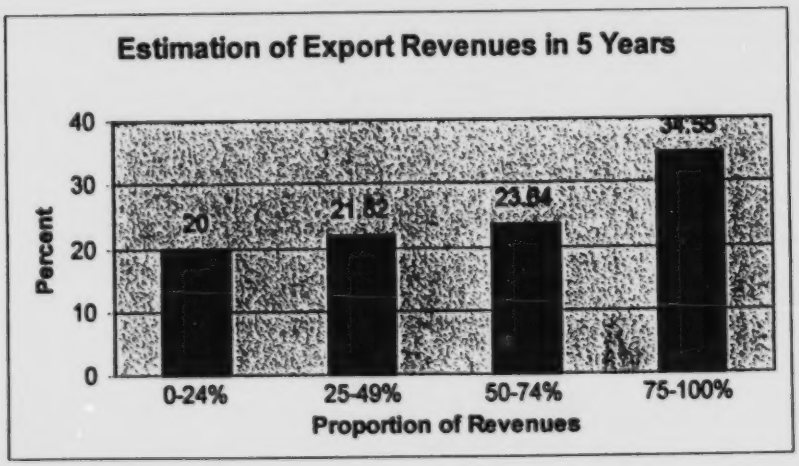


Source: 1999 Canadian Housing Manufacturers Survey

These figures would tend to indicate that a number of exporters expect an increase in revenues from exports and therefore their participation in export markets to continue. Thirty-five per cent of survey respondents expect export sales to contribute to their total revenues by more than 75%.

Trends related to the continued growth of exports is mixed, with 50% reporting that export business is growing, while 19% say it is decreasing. Ten per cent report their export business is staying about the same. It becomes important to understand the profiles and needs of the 50% or 29 firms that report ongoing growth. These may be the same firms that indicate the export of housing or related products will be very important to their firms in the future.

Exhibit 14

***Growth in Exports Compared to Three Years Ago***

| | *Percent Response* |
|---|---|
| ***Increased*** | 50 |
| ***Stayed the Same*** | 17 |
| ***Decreased*** | 33 |

### 4.4 Profiles and Needs of Export Housing Manufacturers

The survey of housing manufacturers reveal that the majority of firms involved with exporting have done so since 1995, with 23 Canadian manufactured housing firms entering the global marketplace in the last four years. For the 30 years prior to 1995, the number of manufacturers exporting grew steadily by 1 or 2 firms per year.

The usual length of time to close a sale is 6 to 12 months. One-third of the exporters (32%) indicated that on average it took 12 months of ongoing effort in export markets before a first sale was achieved. Seventeen per cent reported an average of 6 months to close an export sale.

⇨ **Usual length of time to close an export sale is 6 to 12 months.**

⇨ **The first sale in a new market requires 12 months of ongoing effort by the manufacturer.**

The needs of manufacturers who report greater than 50% of their revenues are from exports are shown on the following page in terms of the barriers they face when exporting, and the kinds of information, products and services that would help to increase export revenues.

The following are some of the replies received in response to the question "At the present time, what are the most significant barriers that you face in exporting housing and related fields?"

Barriers to Exporting

*"Exchange on Canadian dollar"*
*"Restricted access for Canadian workers"*
*"Changes in rules of importing country"*
*"Getting proper financing"; "Lack of funding"*
*"Government assistance in exposing technology for small players"*
*"Ocean freight very expensive to South America, compared to Japan"*
*"More competition from East Russia, Indonesia, Malaysia for materials – Japanese can buy cheaper from these countries"*
*"Strict regulations specific to Canadian products – local builders don't have such regulations"*
*"High duty costs for imported products"*

When asked what, if any, information would you like that you don't have now, that would assist in expanding export markets, respondents replied:

Useful Information Products

*"How to sell my product"; "How to sell technology transfer"*
*"Info on building codes equivalence and compatibility"*
*"Info on local restrictions or regulations that could affect the distribution of our product"*
*"Information from embassies about local companies and businesses"*

⇨ **The types of information high volume exporters are most likely to find useful are marketing support, market information, and technical information.**

The majority of these manufacturers report they would prefer receiving information by fax or e-mail.

Exhibit 15

**Formats that Exporters Would Most Appreciate Receiving Information**

| | Very useful |
|---|---|
| **Print format** | **38%** |
| **By fax** | **33%** |
| **By e-mail** | **28%** |
| **On a website** | **13%** |
| **In discussion with a knowledgeable person** | **10%** |
| **In a seminar** | **3%** |
| **At a conference** | **--** |

Source: 1999 Canadian Manufactured Housing Survey

⇨ **Electronic forms of communication are preferred by housing manufacturers. Manufacturers would like to receive information by fax or e-mail.**

⇨ **Exporters will be less inclined to attend conferences, meetings, or visit a website for information.**

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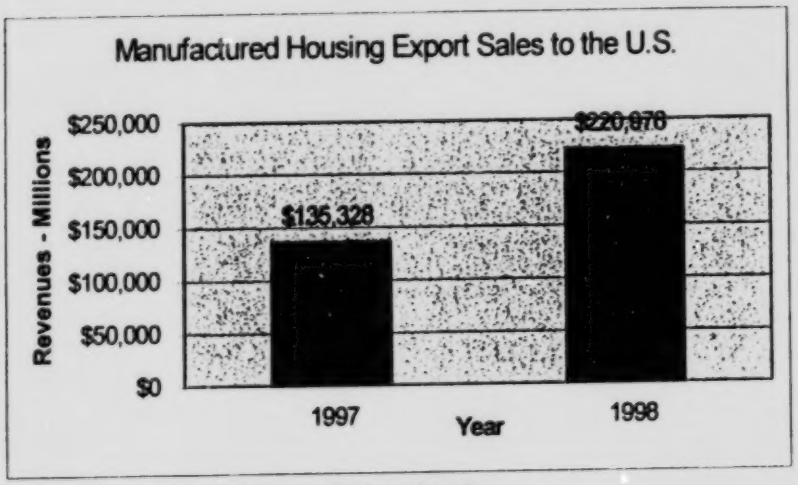
Twenty-four out of the 60 housing export manufacturers reported that they are exporting to the United States.

### 5.1 Export Revenue Performance in the U.S.

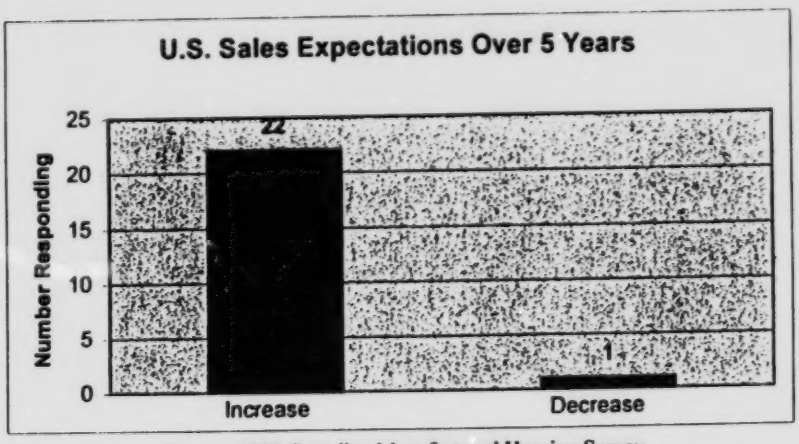
Exhibit 16




Source: Statistics Canada

The extent of export sales in the U.S. for 1998 continues to show a growth trend over the previous 3 years. The biggest factor contributing to increased sales, reported by over half of the manufacturer respondents, is the weakened value of the Canadian dollar relative to the U.S., and its increased buying power.

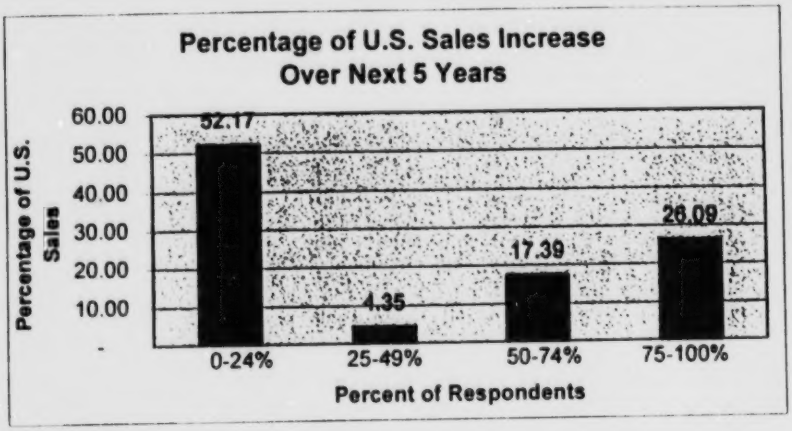
Exhibit 17




Source: 1999 Canadian Manufactured Housing Survey

With the exception of one, all of the exporters to the U.S. are optimistic that sales to this market will increase over the next 5 years with the majority expecting modest increases in the range of 1-24%.

Exhibit 18




Source: 1999 Canadian Manufactured Housing Survey

### 5.2 Manufacturers U.S. Export Needs

Exporters to U.S. markets report a number of impediments to a larger and lesser degree that stand in their way of increasing business in the U.S. The major impediment is the ability to move labour across the border from Canada to the United States. This becomes an important issue for the manufactured housing industry particularly because of the need in some cases to reconstruct and reassemble housing components to exact measures. The use of qualified, skilled workers in the Canadian housing manufacturing industry, who can reassemble exported housing on foreign soil, increases the acceptance of quality housing. It becomes important for government agencies and departments working to increase housing exports, such as CMHC, to lobby for or work to improve the flow of labour and accessibility of labour across borders.

Accessing market information does not appear to be an impediment to doing business in the U.S. , with 15 of 25 exporters reporting they do not need market information. It would seem that adapting to the U.S. market, with the exception of labour movement and price competitiveness, does not present a problem for Canadian housing manufacturers wishing to export to the U.S.

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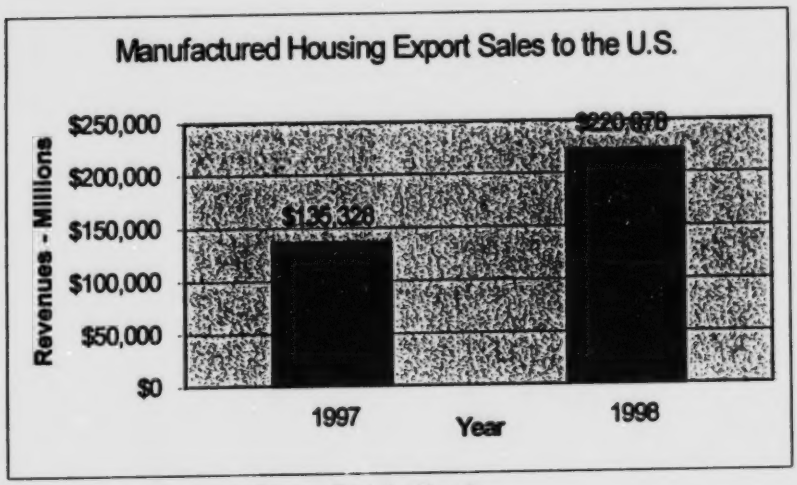


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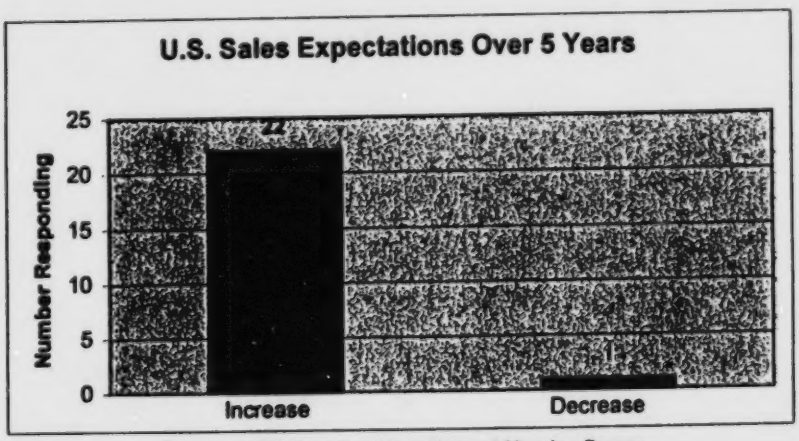


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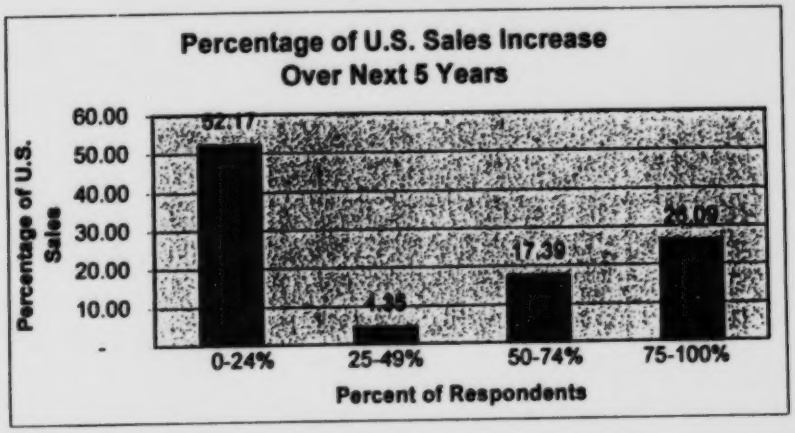


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Exhibit 19

**Impediments Impacting Exports to the U.S.**

| | Percent Response |
|---|---|
| **Movement of labour across the border** | 42 |
| **Price competitiveness** | 32 |
| **Developing business contacts** | 24 |
| **Shipping logistics** | 16 |
| **Tariffs and duties** | 8 |
| **Accessing market information** | 8 |
| **Adapting product to US codes and standards** | 8 |

Source: 1999 Canadian Housing Manufacturing Survey

### 5.3 U.S. Export Services

When asked about the types of services provincial and federal agencies can provide to help increase exports to U.S. markets, respondents reply in three areas:

1. Lobby/Political Efforts
   *"Working to reduce taxes that contribute to overhead costs"*
   *"Working to reduce labour restrictions across the border for tradesmen"*
   *"Regulation of price of wood, competitive stumpage fees, and lack of competition in logging business"*

2. Export Financing/Guarantees
   *"Security at destination by government to ensure payment for shipment"*
   *"Financial assistance for export markets"*

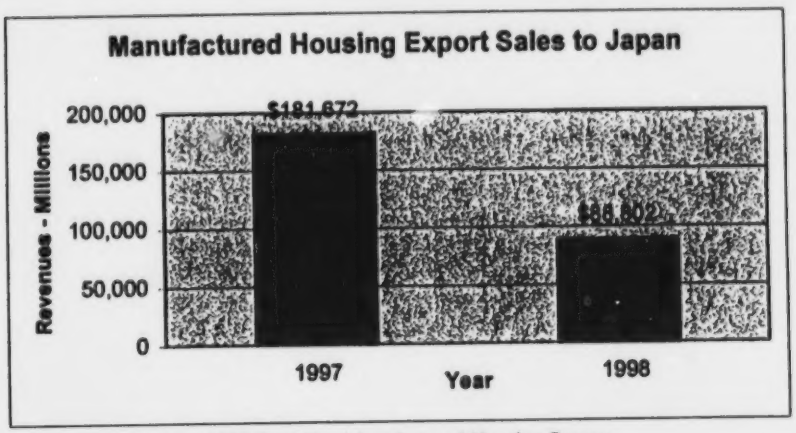
3. Promotion and Market Knowledge
   *"Help with export advertising for material costs"*
   *"Training programs for markets"*
   *"Home shows"*
   *"Identifying U.S. building codes and regulations standards"*
   *"Directory of dealers in the U.S. that could provide service"*
   *"More data on U.S. market and specific areas of the U.S"*
   *"Referrals and contacts of contractors, builders involved in modular homes"*
   *"Support for market development activities like trade shows, generic advertising"*

## 6.0 Japanese Export Market

Thirty-two of the 60 exporters reported that they are currently exporting to Japan.

### 6.1 Export Revenue Performance in Japanese markets

Exhibit 20




Source: 1999 Canadian Manufactured Housing Survey

The decrease from 1997 to 1998 can be attributed to Japan's economic decline. Recent trends according to Industry Canada data show an increase in exports to Japan in 1999.

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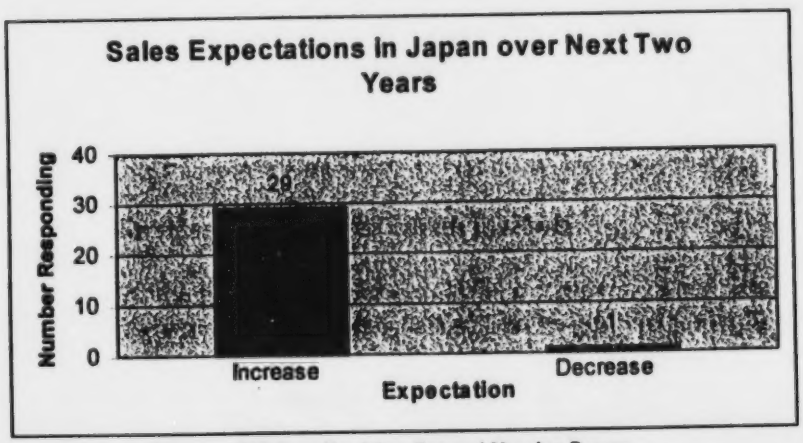


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The graph above supports the Industry Canada data of recent increasing sales to Japan, and illustrates that survey respondents are optimistic that a recovery will occur in the region boosting export sales.

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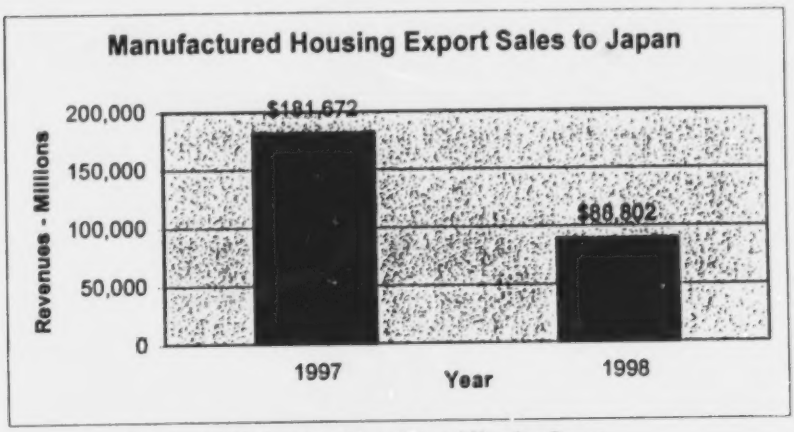


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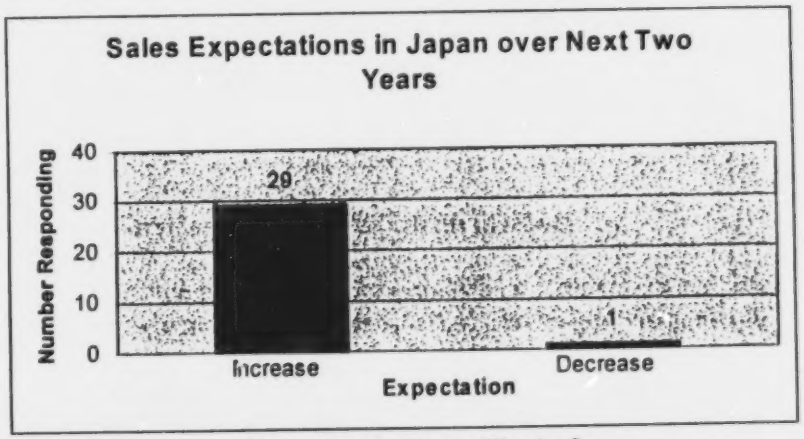


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### 6.2 Factors Contributing to Changing Market Conditions in Japan

Exhibit 22

| | % Say Increased |
|---|---|
| **Negative Factors:** | |
| ▫ **Competition from other importers** | **47%** |
| ▫ **Competition from other Canadian firms** | **40%** |
| ▫ **Competition from Japanese firms** | **38%** |
| **Positive Factors:** | |
| ▫ **Japanese awareness of Canadian products** | **38%** |
| ▫ **Breakdown of house packages by purchasers** | **36%** |

Source: 1999 Canadian Housing Manufacturers Survey

In addition to Japan's general economic problems, respondents noted increased competition from other countries and from competitors within Canada as factors contributing to a change in market conditions. More positively, 38% of respondents note that the Japanese are more aware of Canadian manufactured housing products.

### 6.3 Export Services Required for Japan markets

Respondents report that the types of services required from provincial and federal agencies to help increase exports to Japanese markets can be grouped under three areas:

1. Promotion and Market Knowledge
   - *"Sponsoring trade missions and trade shows"*
   - *"Lining up potential customers, referrals"*
   - *"Marketing Canada as a whole"*
   - *"Advertising and promotion"*
   - *"Like reports from CMHC and embassies"*
   - *"Translation services"*
   - *"Money for marketing"*

2. Financing and Guarantees
   - *"Security at destination end by government to ensure payment of shipment"*
   - *"Screening perspective purchasers better"*
   - *"Increased backup knowledge of inquiries"*
   - *"A good collection agency"*
   - *"Financial support for trade fairs, model homes, and demonstration homes"*
   - *"Financial assistance for business trips (follow-up is essential)"*
   - *"Assistance funding technicalities from the municipal level up; perhaps give a lump sum grant"*
   - *"Lowering of yen. Higher yen value-exchange rates are very important"*
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| ▫ Japanese awareness of Canadian products | 38% |
| ▫ Breakdown of house packages by purchasers | 36% |

Source: 1999 Canadian Housing Manufacturers Survey

In addition to Japan's general economic problems, respondents noted increased competition from other countries and from competitors within Canada as factors contributing to a change in market conditions. More positively, 38% of respondents note that the Japanese are more aware of Canadian manufactured housing products.

### 6.3 Export Services Required for Japan markets

Respondents report that the types of services required from provincial and federal agencies to help increase exports to Japanese markets can be grouped under three areas:

1. Promotion and Market Knowledge
   - *"Sponsoring trade missions and trade shows"*
   - *"Lining up potential customers, referrals"*
   - *"Marketing Canada as a whole"*
   - *"Advertising and promotion"*
   - *"Like reports from CMHC and embassies"*
   - *"Translation services"*
   - *"Money for marketing"*

2. Financing and Guarantees
   - *"Security at destination end by government to ensure payment of shipment"*
   - *"Screening perspective purchasers better"*
   - *"Increased backup knowledge of inquiries"*
   - *"A good collection agency"*
   - *"Financial support for trade fairs, model homes, and demonstration homes"*
   - *"Financial assistance for business trips (follow-up is essential)"*
   - *"Assistance funding technicalities from the municipal level up; perhaps give a lump sum grant"*
   - *"Lowering of yen. Higher yen value-exchange rates are very important"*
   - *"Assistance in qualifying potential clients or partners"*

3. Lobby/political and Codes Standards

*"Lower taxes, lower UI/workers compensation rates"*
*"Lower tariffs/stumpage fees"*
*"More protection for value-added secondary manufacturing and less selling of raw products"*
*"Re-open BC office in Japan. Better commitment from government of B.C. in Japan"*

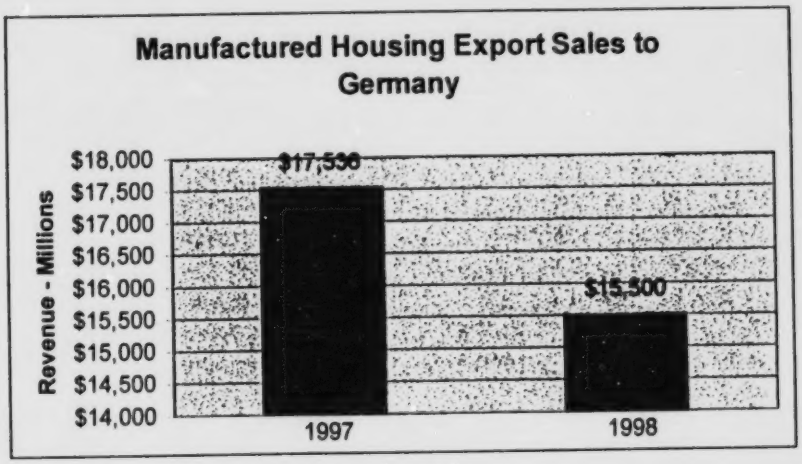
There are a few problem areas that need to be highlighted as well. Respondents report that provincial and federal agencies can have a damaging effect on exporters who have previously developed export markets with their own resources, by "bringing in more competition". This is noted from respondents who haven't had any help through trade missions or other government sponsored programs, but who have, through lengthy communications, cultivated export relationships in Japanese markets.

Other difficulties worth noting are respondents advice that government agencies need to get together. They report being "taxed to death without much help" in Canada. Many companies are small and would like to increase export sales but need financial help from government agencies and departments.

Nineteen of the 60 exporters reported that they are currently exporting to Germany.

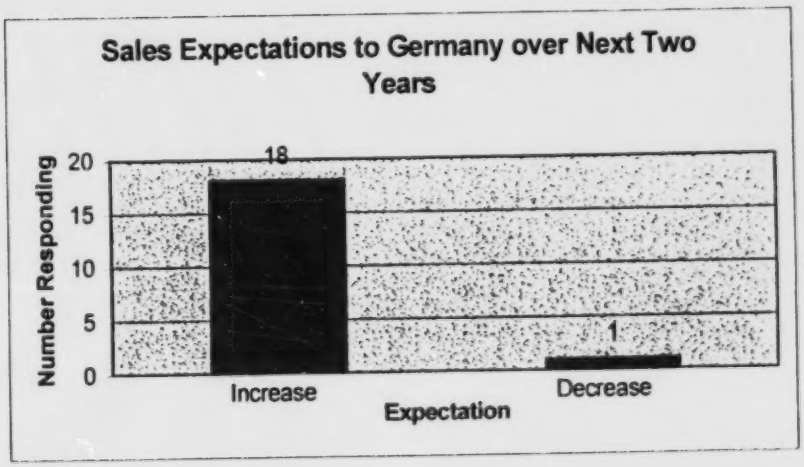
### 7.1 Export Revenue Performance in German markets

Exhibit 23




Source: Statistics Canada and Industry Canada

Exhibit 24




Source: 1999 Canadian Manufactured Housing Survey

Respondents report obvious optimism about export conditions in Germany despite a slight decrease in export sales from 1997 to 1998.

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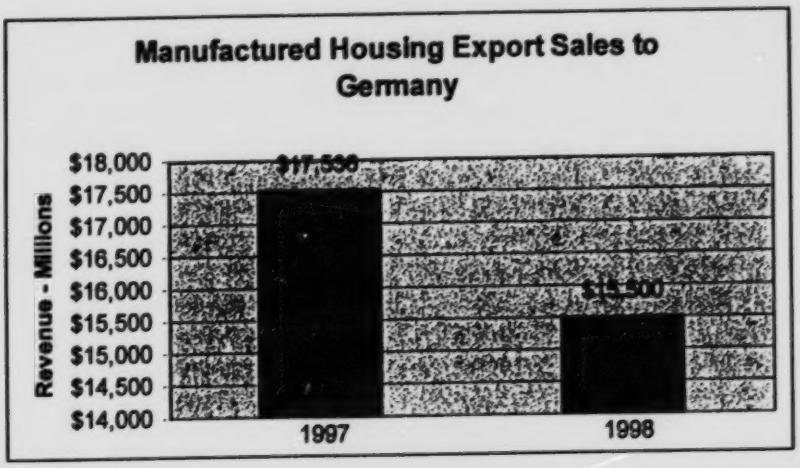


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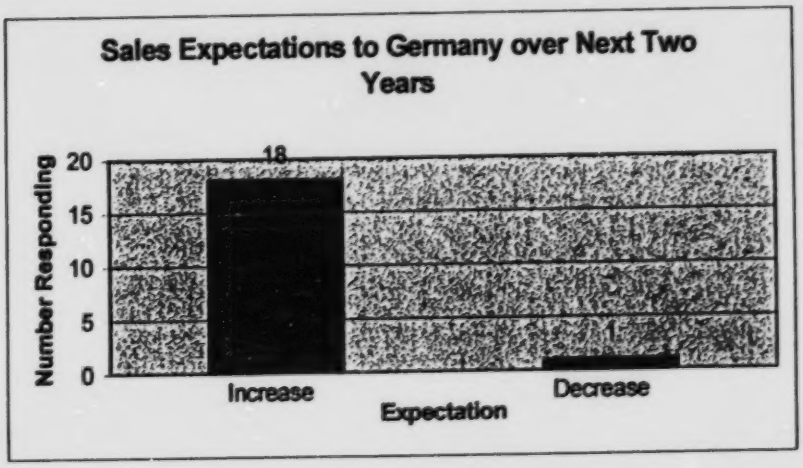



Source: 1999 Canadian Manufactured Housing Survey

Respondents report obvious optimism about export conditions in Germany despite a slight decrease in export sales from 1997 to 1998.

### 7.2 Barriers Affecting Exports to Germany

Exhibit 25

**Percentage of Exporters who Have Experienced Export Barriers**

| | |
|---|---|
| Export barriers exist | 46% |
| No export barriers | 53% |

Source: 1999 Canadian Manufactured Housing Survey

### 7.3 Export Services Required for German markets

Government agencies and departments can help manufacturers with advertising and promotion and provide technical support related to codes to increase exports to German markets. A large number of the exporters to German markets reported that compliance with German codes and standards was a major issue that impacts on export performance in these markets. The EEC's moratorium on softwood products and the following are areas that exporters feel Canadian agencies and departments should move on. When asked what services could be provided by provincial or federal agencies that would help in the German market, respondents offered the following replies:

1. Promotion and Market Knowledge
   - *"Marketing Canada"*
   - *"Advertising and promotion"*
   - *"Trade shows and delegations"*
   - *"Contacts and promotion of Canadian products"*
   - *"Money for marketing"*
   - *"More financial support for trade shows"*

2. Financing and Guarantees
   - *"Assistance in qualifying potential clients or partners"*

3. Lobby/political and Codes Standards
   - *"Help with the importation problem because of a softwood moratorium"*
   - *"Code compliance"*
   - *"Code and labour issues – acceptance of Canadian codes is very important"*
   - *"Standards codes and regulations are a major problem"*
   - *"Speed up approval for codes"*
   - *"Building codes and products equivalency, ease down import regulations"*
   - *"Recognition of Canadian standards. EEC (European Economic Union) is very protective; there is a moratorium on wood products which is a big problem"*

## 8.0 Export Products and Services Needed by Government Departments and Agencies

Exhibit 26

**Most Contacted Federal Department and Agency**

| | % Response |
|---|---|
| Canada Mortgage and Housing | 63% |
| Industry Canada | 33% |
| DFAIT | 24% |
| EDC | 15% |
| NRC | 4% |
| NRCan | 4% |
| BDBC | 4% |

Source: 1999 Canadian Manufactured Housing Survey

Canada Mortgage and Housing Corporation is the federal department or agency that respondents report they are in contact with most regularly. The response indicates that some manufacturers who are exporting have an ongoing relationship with CMHC.

### 8.1 Canadian Housing Export Centre (CHEC)

Exhibit 27

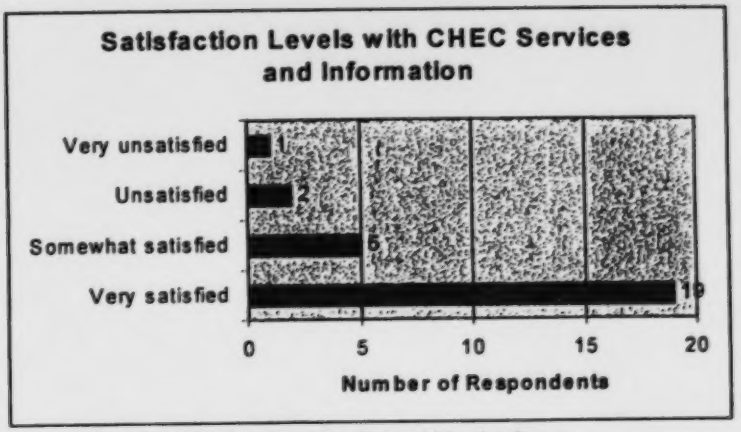
**Contact with Canadian Housing Export Centre (CHEC)**

| | Number of Respondents |
|---|---|
| Have Contacted CHEC | 28 |
| Have not Contacted CHEC | 14 |

Source: 1999 Canadian Manufactured Housing Survey

Half of the 42 respondents who answered the question of whether they had contacted CHEC specifically, replied affirmatively. This response indicates that CHEC has been relatively successful in communicating and promoting its services to housing manufacturing exporters.

Exhibit 28




Source: 1999 Canadian Manufactured Housing Survey

Of the 27 respondents that had used CHEC's services, 19 were very satisfied, however three were not satisfied.

### 8.2 Foreign Market Information

Exhibit 29
**Types of Foreign Market Information Required by Exporters**

| | % Reporting Information is Very Useful |
|---|---|
| **Building code information** | 85% |
| **Pricing analysis of products and services in foreign markets** | 75% |
| **Business opportunities** | 73% |
| **Building technology materials and products in foreign markets** | 71% |
| **Foreign list of industry and government contacts** | 66% |
| **Foreign competitor analysis** | 65% |
| **Process for certification of products and services** | 62% |
| **Risk assessment of doing business** | 50% |
| **Housing market analysis** | 50% |
| **Channels of distribution** | 49% |
| **Tariff and related duty information** | 48% |
| **Business, culture, custom and practices** | 41% |

Source: 1999 Canadian Manufactured Housing Survey

Respondents reported that the type of information that would be most valuable is technical information on foreign building codes and foreign market intelligence that would help to assess business opportunities. They want country specific building code information with a comparison to the Canadian code. Market intelligence information about pricing of foreign housing products and services, international housing business opportunities and contacts, and the types of foreign building technologies and practices are also of interest.

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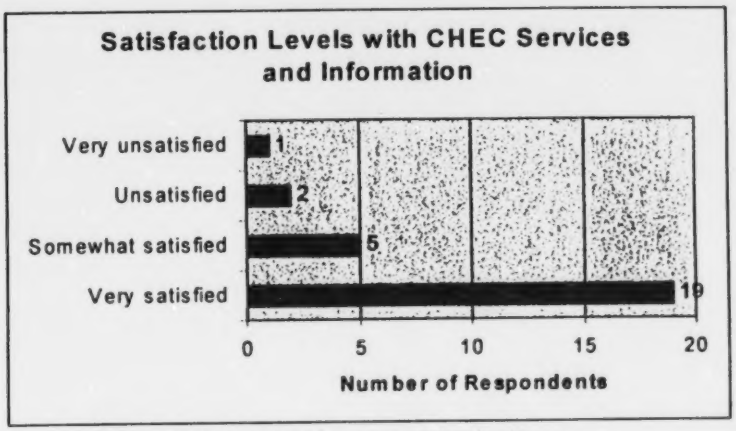


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### 8.3 New Export Product and Services

Respondents reported that the most beneficial new products and services would relate to helping them increase their export contacts, providing more information and availability of foreign financing and guarantees, plus gathering and providing market intelligence information. The following are specific new product and service suggestions, that respondents offered when asked what would assist them in expanding their export business.

Contacts

*"More information on people who would become a dealer. Directory of dealers"*
*"Company matching with customers/partners"*
*"Names and addresses of qualified professional builders in our target export markets"*
*"Contacts in specific countries"*

Financing and Guarantees

*"More information on financing for exports"*
*"Finalizing and screening perspective purchasers"*
*"Financial guarantees"*
*"Government collection agencies"*

Market Intelligence

*"Market research and trends data on various countries"*
*"Information on markets where modular homes are needed"*
*"Finding which products are acceptable in Europe"*

Additional product and service suggestions are found in the appendices.

Exhibit 30
**Services that would Help Housing Manufacturers to Increase Exports**

| | *Very Useful* |
|---|---|
| **Marketing and promotion of the Canadian housing system in foreign markets** | 74% |
| **Matching foreign buyers with Canadian sellers** | 69% |
| **Facilitation of financing and access to credit** | 64% |
| **A warranty program for foreign buyers of Canadian homes** | 54% |
| **Consulting service with housing related experts on specific countries** | 54% |
| **Incoming buyers missions** | 50% |
| **A brand designation for Canadian-built homes** | 45% |
| **Overseas training in woodframe construction** | 42% |
| **Team Canada pavilions at trade shows** | 41% |
| **Coordination of joint ventures and partnerships with other Canadian firms** | 35% |
| **Team Canada overseas missions** | 30% |

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*"More information on financing for exports"*
*"Finalizing and screening perspective purchasers"*
*"Financial guarantees"*
*"Government collection agencies"*

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| **Team Canada overseas missions** | 30% |

Like products, the services that manufacturers report being the most useful support with marketing and promotion of Canadian housing products in foreign markets, assistance in making foreign contacts, matchmaking services, as well as information and availability of export financing.

## 9.0 Potential Exporters

Five respondents identified themselves as manufacturers that were not currently exporting. Without exception, each of the five manufacturers is planning to export over the next two years.

Three of the five had contacted CHEC for export information, but only one was very satisfied with the information received. The other two potential exporters report being somewhat satisfied with the information.

### 9.1 Information Needs

When asked what kinds of information potential exporters would like that is not currently available, they report:

- more information on business leads
- help with product acceptance in specific markets
- support by government agencies to sell manufactured housing specifically. Potential exporters perceive that government agencies support exporting housing technologies exclusively
- foreign competitor analysis
- building code information
- business culture, customs, and practices
- business opportunities
- tariff and related duty information
- process for certification of products and services

### 9.2 Service Requirements

The types of services of most interest to potential exporters are:

- a warranty program for foreign buyers of Canadian homes
- matching foreign buyers with Canadian sellers
- joint ventures and partnerships with other Canadian firms
- facilitation of financing and access to credit

## 9.0 Conclusions and Strategic Recommendations

**Finding:**

The manufactured housing industry is not homogeneous. With six significantly different categories of factory built housing, the product and respective markets vary.

**Strategic recommendations:**

- Develop programs and policy that recognize the inherent uniqueness of the sectors and their varying needs.

- Any commissioned market research projects that CHEC undertakes in foreign markets should include trend data and an analysis of foreign market demand for Canadian factory built housing.

**Finding:**

The market and development cycle for an export opportunity is approximately one year. The cost to achieve a sale in a new market and the associated learning curve of executing an order for a foreign destination are significant. Small and medium size enterprises will have difficulty pursuing sales in more than one foreign market.

**Strategic recommendation:**

- Federal resources should be cost-effectively focused on reducing up front costs associated with breaking into new markets through providing assistance with the development of business contacts and providing basic information on codes, standards and related issues which must be fully understood before a firm can successfully sell into a new market.

**Finding:**

There is a polarization within the industry between firms relying on exports for less than 25 percent of their revenue and firms where exports account for over 50 percent of the revenue. There is also a correlation between the size of the firm and their dependence on exports. In general, larger firms tend to be less dependent on exports for their gross revenues. The small companies who are most likely to be dependent on exports for their revenues are the firms least able to afford high market development costs or pursue more than a couple of export destinations.

**Strategic recommendations:**

- Develop programs and policy that recognize the needs of these two groups with an emphasis on programs that will reduce both risk and cost for firms to develop new market opportunities.

- CHEC should offer, or enlist the support of other federal agencies such as EDC, to provide financing information and financial guarantees to exporters of manufactured

housing.

**Finding:**

The study concluded that there was very little interest from manufacturers in receiving information through seminars and conferences with less than 3 percent indicating that either of these was a preferred format. There was however strong support for simple methods of communications such as fax, e-mail and print format.

**Strategic recommendation:**

- Develop a regular e-mail update system and a fax-on-demand program while reducing the number of seminars and conferences.

**Finding:**

The United States is a growing market and is by far the most significant export destination for Canadian manufactured housing. Business contacts and the restriction on the movement of labor were the most significant factors impacting exports to the U.S., not marketing issues as were the case with overseas markets.

**Strategic recommendations:**

- Expand the scope of services such as the matchmaking program.
- Continue to monitor cross border movement of labor concerns and protect Canadian interests in accordance with NAFTA and other guiding agreements.

**Finding:**

While on the decline, manufacturers indicated that Japan was still an important market for the future. The manufacturers responding to the survey underscored the need to continue to promote the "Canadian Housing System" and maintain a strong market presence in Japan.

**Strategic recommendation:**

- Develop programs that promote Canadian housing as a "system" and maintain the Canadian presence in Japan despite current economic downturn.

**Finding:**

Germany, more so than any other market was identified as having significant barriers to trade relating to codes and standards. This included building code-related issues as well as product-related barriers such as softwood lumber.

**Strategic recommendation:**

- Continue efforts to finalize the Canadian systems approval for wood frame housing

and concentrate activities on removing other non-tariff barriers.

**Finding:**

Technical information and business contacts and opportunities were consistently identified as the most important foreign market information by the firms surveyed.

**Strategic recommendations:**

- Formalize a function or position within CHEC that would specialize in the codes and standards of key export markets.
- Develop a formal business contact and sales lead program. Expand the pilot matchmaking program.
- Enlist embassies in target foreign markets to provide business contact and market intelligence information.

**Finding:**

There are significant regional variances in terms of target markets and industry needs. British Columbia and Ontario account for over two-thirds of all housing exports.

**Strategic recommendation:**

- Have regional offices concentrate on issues specific to their constituents.
- Develop strategic alliances with provincial trade offices
- Review resource allocation vs. provincial export volumes.

# Appendix A

## Questionnaire

PERSONAL/CONFIDENTIAL
CMHI
150 Laurier Ave. W
Suite 500
Ottawa, Ontario
K1P 5J4

Date: _____

Time Started: _____

Time Ended: _____ . . _____

Performed by: _____

Notes: _____

Telephone Questionnaire

Hello my name is _____ and I am phoning on behalf of the Canadian Manufactured Housing Institute. We are conducting a brief phone survey of firms involved in the export of manufactured housing and housing related products.

A. Is your firm involved in the manufactured housing industry?
Yes (CONTINUE) ..... 1
No (THANK AND TERMINATE) ..... 2

B. Is your firm involved in the export of manufactured housing?

If **YES**: ASK TO SPEAK WITH THE PERSON IN THE FIRM WHO IS RESPONSIBLE FOR INTERNATIONAL TRADE OR EXPORTING. REINTRODUCE YOURSELF.

Follow **Questionnaire #1**

---

If **NO:** ASK TO SPEAK WITH THE PERSON IN THE FIRM WHO IS RESPONSIBLE FOR SALES OR MARKETING. REINTRODUCE YOURSELF

Follow **Questionnaire #2**

Hello, I am phoning on behalf of the Canadian Manufactured Housing Institute. The Institute is undertaking a study of the manufactured housing firms involved in export to assess the export performance of the Canadian industry and what are the factors that will assist your firm in increasing export sales. Recognizing the time constraints you face, the interview will consist of a few short answer questions and should take no more than 10-15 minutes.

1. If no...."What would be a good time to reschedule the interview for?"

Before starting the survey, I would just like to clarify that all the information collected is strictly confidential and information gathered from the survey will be presented in an amalgamated way to ensure no company specific information is disclosed. If you are uncomfortable with any of the questions, please let me know and we can move on to the next question.

My first question deals with the extent of your firm's involvement in export markets.

1. Was your firm's origins in the domestic Canadian or export housing markets?
   - ❑ domestic
   - ❑ export

2. (IF THE CANADIAN MARKET) When did your firm first start into the export market? 19____

3. How long did you pursue export opportunities before your first sale? _____ years.

4. Approximately what proportion of your recent revenues are derived from exports in your most recent fiscal year?

| 0-9% | 10-24% | 25-49% | 50+% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

5. And what proportion of this export revenue comes from housing or related business?

| 0% | 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ | ❑ |

6. Relative to three years ago, has your export business been growing, staying about the same or decreasing?
   - ❑ Decreasing
   - ❑ Staying about the same
   - ❑ Growing

7. In the future how important do you think exports in the housing area or related products or services will be to your firm. Will they be very important, somewhat important, not too important, or not at all important?
   - ❑ Not at all important
   - ❑ Not too important
   - ❑ Somewhat important
   - ❑ Very important

8. If you were to guess, in five years, what proportion of your revenues would you expect to come from export earnings in housing or products?

| 0% | 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ | ❑ |

9. At the present time which countries, other than Canada, are the largest markets for your firm's products or services? (ACCEPT UP TO FIVE RESPONSES)

- ❑ United States - go to question 11)
- ❑ Japan - go to question 19
- ❑ Germany - go to question 28
- ❑ Other, Specify - go to question 30 _____

_____

_____

---

10. What other countries are you planning to export to in the future?_____

_____

**US Market**

11. How many years have you been exporting to the US? _____ years.

12. What % of your export sales are to the U.S.?

| 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

13. What would be the percentage growth of your U.S. Exports over the last 3 years?

| 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

14. What would be single largest factor contributing to your increased success in the U.S. markets? _____

_____

15. In terms of their impact on your firm's ability to do business in the US, how would you rate the following

| | | A major impediment | A minor impediment | Not an impediment |
|---|---|---|---|---|
| a) | Your price competitiveness | ❑ | ❑ | ❑ |
| b) | Shipping logistics | ❑ | ❑ | ❑ |
| c) | Tariffs and duties | ❑ | ❑ | ❑ |
| d) | Movement of labour across the border | ❑ | ❑ | ❑ |
| e) | Developing business contacts | ❑ | ❑ | ❑ |
| f) | Accessing market information | ❑ | ❑ | ❑ |
| g) | Adapting product to US Codes and Standards | ❑ | ❑ | ❑ |

16. In 5 years do you anticipate your sales to increase or decrease?
- ❑ increase
- ❑ decrease

17. By what percentage?

| 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

18. What services could be provided by provincial or federal agencies that would help you in the US market? (Probe) _____

_____

_____

Accept up to 3 recommendations

---

**Japanese Market**

19. How many years have you been exporting to Japan? _____ years.

20. What % of your export sales are to Japan?

| 0-24% | 25-49% | 50-74% | 75-100% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

21. What would be the percentage growth or decline in your exports to Japan over the last year?

| +/- 0-24% | +/- 25-49% | +/- 50-74% | +/- 75-100% |
|---|---|---|---|
| ❑ | ❑ | ❑ | ❑ |

22. What would be single largest factor contributing to your shift in exports to Japan?

_____

_____

23. Over the last two years would you say the following conditions have improved, stayed the same or worsened?

| | | Decreased | Stayed the same | Increased |
|---|---|---|---|---|
| a) | Competition from Japanese manufacturers and builders | ❑ | ❑ | ❑ |
| b) | Competition from other Canadian firms | ❑ | ❑ | ❑ |
| c) | Competition from other importers | ❑ | ❑ | ❑ |
| d) | Competition from consolidators | ❑ | ❑ | ❑ |
| e) | Breaking down of house packages by purchaser | ❑ | ❑ | ❑ |
| f) | Profit margins | ❑ | ❑ | ❑ |
| g) | Tariffs and duties | ❑ | ❑ | ❑ |
| h) | Availability of skilled labour | ❑ | ❑ | ❑ |

| | | | | |
|---|---|---|---|---|
| i) | Interest among Japanese partners | ❑ | ❑ | ❑ |
| j) | Access to market intelligence | ❑ | ❑ | ❑ |
| k) | Codes and Standards | ❑ | ❑ | ❑ |
| i) | Japanese awareness of Canadian products | ❑ | ❑ | ❑ |
| m) | On site quality control | ❑ | ❑ | ❑ |
| o) | Language | ❑ | ❑ | ❑ |

24. Are you planning to continue exporting to Japan?_____

25. If yes, over the next two years do anticipate your sales to Japan to increase or decrease from current levels?
    - ❑ increase
    - ❑ decrease

26. What services could be provided by provincial or federal agency that would help you in the Japanese market? (Probe) _____

    _____

    _____

    Accept up to 3 recommendations

---

**Germany**

27. How many years have you been exporting to Germany? _____ years.

28. Do you anticipate exports to Germany to increase or decrease over the next two years?
    - ❑ increase
    - ❑ decrease

29. What services could be provided by provincial or federal agencies that would help you in the German market? (Probe) _____

    _____

    _____

    Accept up to 3 recommendations

---

30. At the present time, do you experience any specific barriers to exporting or to expanding your export business?
    - ❑ Yes (GO TO Q.31)
    - ❑ No (SKIP TO Q.34)

IF SAYS "YES' TO 30 ASK:

31. At the present time, what are the most significant barriers that you face in exporting in housing and related fields? (PROBE ... ACCEPT UP TO THREE RESPONSES)

1. _____

_____

2. _____

_____

3. _____

_____

---

32. Which federal department or crown corporation are you in contact with most regularly? (DO NOT READ LIST)

- ❑ Industry Canada
- ❑ Department of Foreign affairs and International trade
- ❑ Business Development Bank of Canada
- ❑ Standards Council of Canada
- ❑ Canadian International Development Agency
- ❑ Atlantic Canada Opportunities Agency
- ❑ Western Economic Diversification
- ❑ National Research Council
- ❑ National Resources Canada
- ❑ Canada Mortgage and Housing Corporation (Canadian Housing Export Centre)
- ❑ Export Development Corporation
- ❑ Canadian Commercial Corporation
- ❑ None (VOLUNTEERED)
- ❑ Other, Specify_____

_____

33. For the purpose of seeking information and services on exports, have you contacted the Canadian Housing Export Centre of Canada Mortgage and Housing Corporation?

- ❑ Yes
- ❑ No

If yes, how satisfied were you with the service and information that you received?

- ❑ Very satisfied
- ❑ Somewhat satisfied
- ❑ Unsatisfied
- ❑ Very unsatisfied

34. What if any, information would you like that you don't have now, that would assist you in expanding your export business?
(PROBE...ACCEPT UP TO THREE RESPONSES)

1. _____

_____

2. _____

_____

3. _____

_____

---

35. How would you most like to receive this information? (READ LIST)

- ❑ In a print format
- ❑ In discussion with a knowledgeable individual
- ❑ In a seminar
- ❑ At a conference
- ❑ By Fax
- ❑ By Email
- ❑ On a Website
- ❑ Some other method. (Specify)_____

_____

36. How useful would each of the following types of information on foreign markets be to you on a scale of 1-5, 1 being not useful and 5 being very useful.

| | Not useful 1 | 2 | 3 | 4 | Very useful 5 |
|---|---|---|---|---|---|
| Housing market analysis | ❑ | ❑ | ❑ | ❑ | ❑ |
| Business Culture, Customs and Practices | ❑ | ❑ | ❑ | ❑ | ❑ |
| Business opportunities | ❑ | ❑ | ❑ | ❑ | ❑ |
| Tariff and related duty information | ❑ | ❑ | ❑ | ❑ | ❑ |
| Building technology, materials, and products in foreign markets | ❑ | ❑ | ❑ | ❑ | ❑ |
| Channels of distribution | ❑ | ❑ | ❑ | ❑ | ❑ |
| Risk assessment of doing business | ❑ | ❑ | ❑ | ❑ | ❑ |
| Foreign Competitor analysis | ❑ | ❑ | ❑ | ❑ | ❑ |
| Pricing analysis of products and services | ❑ | ❑ | ❑ | ❑ | ❑ |
| Process for certification of products and services | ❑ | ❑ | ❑ | ❑ | ❑ |
| Building code information and housing related regulations | ❑ | ❑ | ❑ | ❑ | ❑ |
| Foreign list of industry and government contacts | ❑ | ❑ | ❑ | ❑ | ❑ |

37. How useful would each of the following types of services be in supporting your export activities on a scale of 1-5, 1 being not useful and 5 being very useful.

| | Not useful 1 | 2 | 3 | 4 | Very useful 5 |
|---|---|---|---|---|---|
| Incoming buyers missions | ❑ | ❑ | ❑ | ❑ | ❑ |
| Team Canada overseas missions | ❑ | ❑ | ❑ | ❑ | ❑ |
| Team Canada Pavilions at Trade Shows | ❑ | ❑ | ❑ | ❑ | ❑ |
| Marketing and Promotion of the Canadian housing system in foreign markets | ❑ | ❑ | ❑ | ❑ | ❑ |
| Overseas training in woodframe construction techniques | ❑ | ❑ | ❑ | ❑ | ❑ |
| A brand designation for Canadian-built homes | ❑ | ❑ | ❑ | ❑ | ❑ |
| A warranty program for foreign buyers of Canadian homes | ❑ | ❑ | ❑ | ❑ | ❑ |
| Matching foreign buyers with Canadian sellers | ❑ | ❑ | ❑ | ❑ | ❑ |
| Co-ordination of joint ventures and partnerships with other Canadian firms | ❑ | ❑ | ❑ | ❑ | ❑ |
| Facilitation of financing and access to credit | ❑ | ❑ | ❑ | ❑ | ❑ |
| Consulting service with housing related experts on specific countries | ❑ | ❑ | ❑ | ❑ | ❑ |

38. Finally, what three pieces of advice would you offer to potential Canadian exporters? (ACCEPT UP TO THREE RESPONSES)

1. _____

_____

2. _____

_____

3. _____

_____

4. Other, specify _____

_____

Now I have some final questions for classification purposes only.

39. What is the principal type of manufactured housing that your firm is in?
- ❑ Modular buildings
- ❑ Mobile home
- ❑ Panelized housing

- ❑ Pre-engineered and panelized
- ❑ Post and Beam
- ❑ Log
- ❑ Consolidators
- ❑ Other _____

40. Is your firm engaged in the residential sector, the commercial sector or both sectors?
    - ❑ Residential
    - ❑ Commercial
    - ❑ Both residential and commercial
    - ❑ Other (specify) (VOLUNTEERED)_____

41. What is the number of full-time employees at this location? (DO NOT READ LIST)
    - ❑ 1-5
    - ❑ 6-10
    - ❑ 11-50
    - ❑ Over 50

---

42. What is the number of full-time employees at any other locations? (DO NOT READ LIST)
    - ❑ None/ no other locations
    - ❑ 1-5
    - ❑ 6-10
    - ❑ 11-50
    - ❑ Over 50

---

43. What is the firm's approximate annual dollar volume of exports? (DO NOT READ LIST) (NOTE: IN CANADIAN DOLLARS)
    - ❑ None
    - ❑ $1 to under $100,000
    - ❑ $100,000 to under $500,000
    - ❑ $500,000 to under $1 million
    - ❑ $1 million or over

---

44. What is the firms' approximate total annual revenue? (DO NOT READ LIST) (NOTE: IN CANADIAN DOLLARS)
    - ❑ Under $1 million
    - ❑ $1 million to under $5 million
    - ❑ $5 million to under $10 million
    - ❑ $10 million or over

---

45. And what is your job title?

_____

---

46. Date (BY OBSERVATION)

---

ENTER RESPONDENT'S TELEPHONE NUMBER FROM RECORD OF CALL.
TELEPHONE NUMBER: (  ) _____
AREA CODE NUMBER

MAY I HAVE THE SPELLING OF YOUR LAST NAME, PLEASE?
RESPONDENTS NAME: Miss/Mrs./Ms./Mr. _____

IF REFUSAL, ASK: May I then please have just your first name, in case my supervisor needs to verify that this interview actually took place?

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE. The findings of the report will be published in a report which will be available by spring of 1999. You can contact CMHI or visit our website (www.cmhi.ca) to access the report

I have reread this completed questionnaire and certify that all questions requiring answers have been appropriately filled in and this interview has been obtained from the individual designated according to proper sampling procedures.

INTERVIEWER'S SIGNATURE: _____

DATE: _____

NOTE: This interview is the sole property of Canadian Manufactured Housing Institute. Any attempt to duplicate or sell the contents constitutes an illegal act and is subject to prosecution.

1. Are you planning to export over the next two years?

   ❑ yes ❑ no

2. (If **no**, ask: Why are you not planning to export?)
   - ❑ Do not have the required expertise
   - ❑ Do not have the financial resources
   - ❑ Simply have not interest in exporting
   - ❑ Not sure what export opportunities exist
   - ❑ Do not know where to start
   - ❑ Already enough opportunities in Canada
   - ❑ Other _____

   (If **yes**, ask: What countries are you planning to export to?)

   _____

3. For the purpose of seeking information and services on exports, have you contacted the Canadian Housing Export Centre of Canada Mortgage and Housing Corporation?
   - ❑ Yes
   - ❑ No

   If yes, how satisfied were you with the service and information that you received?
   - ❑ Very satisfied
   - ❑ Somewhat satisfied
   - ❑ Unsatisfied
   - ❑ Very unsatisfied

4. What if any, information would you like that you don't have now, that would assist you in expanding your export business?
   (PROBE...ACCEPT UP TO THREE RESPONSES)

   1. _____

      _____

   2. _____

      _____

   3. _____

      _____

5. How would you most like to receive this information? (READ LIST)
   - ❑ In a print format
   - ❑ In discussion with a knowledgeable individual
   - ❑ In a seminar
   - ❑ At a conference
   - ❑ By Fax
   - ❑ By Email
   - ❑ On a Website
   - ❑ Some other method. (Specify)_____

_____

6. How useful would each of the following types of information on foreign markets be to you on a scale of 1-5, 1 being not useful and 5 being very useful.

| | Not useful 1 | 2 | 3 | 4 | Very useful 5 |
|---|---|---|---|---|---|
| Housing market analysis | ❑ | ❑ | ❑ | ❑ | ❑ |
| Business Culture, Customs and Practices | ❑ | ❑ | ❑ | ❑ | ❑ |
| Business opportunities | ❑ | ❑ | ❑ | ❑ | ❑ |
| Tariff and related duty information | ❑ | ❑ | ❑ | ❑ | ❑ |
| Building technology, materials, and products in foreign markets | ❑ | ❑ | ❑ | ❑ | ❑ |
| Channels of distribution | ❑ | ❑ | ❑ | ❑ | ❑ |
| Risk assessment of doing business | ❑ | ❑ | ❑ | ❑ | ❑ |
| Competitor analysis | ❑ | ❑ | ❑ | ❑ | ❑ |
| Pricing analysis of products and services | ❑ | ❑ | ❑ | ❑ | ❑ |
| Process for certification of products and services | ❑ | ❑ | ❑ | ❑ | ❑ |
| Building code information and housing related regulations | ❑ | ❑ | ❑ | ❑ | ❑ |
| List of contacts industry and government | ❑ | ❑ | ❑ | ❑ | ❑ |

7. How useful would each of the following types of services be in supporting your export activities on a scale of 1-5, 1 being not useful and 5 being very useful.

| | Not useful 1 | 2 | 3 | 4 | Very useful 5 |
|---|---|---|---|---|---|
| Incoming buyers missions | ❑ | ❑ | ❑ | ❑ | ❑ |
| Team Canada overseas missions | ❑ | ❑ | ❑ | ❑ | ❑ |
| Team Canada Pavilions at Trade Shows | ❑ | ❑ | ❑ | ❑ | ❑ |
| Marketing and Promotion of the Canadian housing system in foreign markets | ❑ | ❑ | ❑ | ❑ | ❑ |

| | Not useful 1 | 2 | 3 | 4 | Very useful 5 |
|---|---|---|---|---|---|
| Overseas training in woodframe construction techniques | ❑ | ❑ | ❑ | ❑ | ❑ |
| A brand designation for Canadian-built homes | ❑ | ❑ | ❑ | ❑ | ❑ |
| A warranty program for foreign buyers of Canadian homes | ❑ | ❑ | ❑ | ❑ | ❑ |
| Matching foreign buyers with Canadian sellers | ❑ | ❑ | ❑ | ❑ | ❑ |
| Co-ordination of joint ventures and partnerships with other Canadian firms | ❑ | ❑ | ❑ | ❑ | ❑ |
| Facilitation of financing and access to credit | ❑ | ❑ | ❑ | ❑ | ❑ |
| Consulting service with housing related experts on specific countries | ❑ | ❑ | ❑ | ❑ | ❑ |

8. Finally, what three pieces of advice would you offer to potential Canadian exporters? (ACCEPT UP TO THREE RESPONSES)

1. _____

_____

2. _____

_____

3. _____

_____

4. Other, specify _____

_____

Now I have some final questions for classification purposes only.

9. What is the principal type of manufactured housing that your firm is in?
   - ❑ Modular buildings
   - ❑ Mobile home
   - ❑ Panelized housing
   - ❑ Pre-engineered and panelized

- ❑ Post and Beam
- ❑ Log
- ❑ Consolidators
- ❑ Other _____

10. Is your firm engaged in the residential sector, the commercial sector or both sectors?
    - ❑ Residential
    - ❑ Commercial
    - ❑ Both residential and commercial
    - ❑ Other (specify) (VOLUNTEERED)_____

11. What is the number of full-time employees at this location? (DO NOT READ LIST)
    - ❑ 1-5
    - ❑ 6-10
    - ❑ 11-50
    - ❑ Over 50

---

12. What is the number of full-time employees at any other locations? (DO NOT READ LIST)
    - ❑ None/ no other locations
    - ❑ 1-5
    - ❑ 6-10
    - ❑ 11-50
    - ❑ Over 50

---

13. What is the firms' approximate total annual revenue? (DO NOT READ LIST) (NOTE: IN CANADIAN DOLLARS)
    - ❑ Under $1 million
    - ❑ $1 million to under $5 million
    - ❑ $5 million to under $10 million
    - ❑ $10 million or over

15. Date (BY OBSERVATION)

ENTER RESPONDENT'S TELEPHONE NUMBER FROM RECORD OF CALL.
TELEPHONE NUMBER: ( ) _____
AREA CODE NUMBER

MAY I HAVE THE SPELLING OF YOUR LAST NAME, PLEASE?
RESPONDENTS NAME: Miss/Mrs./Ms./Mr. _____

IF REFUSAL, ASK: May I then please have just your first name, in case my supervisor needs to verify that this interview actually took place?

THANK YOU FOR TAKING THE TIME TO COMPLETE THIS QUESTIONNAIRE. The findings of the report will be published in a report which will be available by spring of 1999. You can contact CMHI or visit our website (www.cmhi.ca) to access the report

I have reread this completed questionnaire and certify that all questions requiring answers have been appropriately filled in and this interview has been obtained from the individual designated according to proper sampling procedures.

INTERVIEWER'S SIGNATURE: _____

DATE: _____

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Appendix B

## CMHI DEFINITIONS OF FACTORY BUILT HOUSING PRODUCTS

**Park Model Trailer** means a manufactured recreational unit that meets the following criteria:

a) built on a single chassis mounted on wheels;
b) designed to facilitate relocation from time to time;
c) designed as living quarters for seasonal dwelling, and may be connected to those utilities necessary for operation of installed fixtures and appliances; and
d) has a gross floor area, including lofts, not exceeding $50M^2$ when in the set-up mode, and having a width not greater than 2.6M in the transit mode.

Except as otherwise required in this section, a Park Model unit, is intended to be used as a seasonal recreational building for residential occupancy, and constructed in accordance with the requirements of CAN/CSA-Z241 Series-92 Standard.

**Panelized Housing** are buildings where some or all of the major components are manufactured, in two dimensional panel form (closed or open), in a factory and assembled on site. These panels could be wall, roof or floor panels or a combination of the same. Closed panels for residential and commercial occupancy in Canada, are required to be built in factories certified to the CAN/CSA A277 Quality Standard.

**Pre-Engineered and Panelized** are building units which are prefabricated in a manufacturing facility and shipped to the final site for assembly and completion The product could be a series of engineered and packaged building components making up some or all parts of the total building components in the project. Packaged components may or may not be assembled into panel form depending on the requirements of the project.

**Post and Beam** and Timber Frame buildings are manufactured from large dimension timbers of almost any species of wood which is called for by the project designers and/or manufacturer. These large dimensional timbers are placed vertically (post) and horizontally (beam) when assembled at the project site.

Post and Beam and Timber Frame buildings are fabricated to exact dimensions with custom joinery in order to make up some or all of the structure of a project. In most cases these structural systems are exposed to the inside of the building and become an architectural feature of the project. Exterior panels, open or closed, and other building components are often included as part of the manufacturers products.

**Log-Profiled** Pre-cut log homes are machined profiled with a tongue and groove on the top and bottom of each log. The logs are precision milled to specific sizes, shapes and lengths to suite a particular design. The pre-cut logs, along with windows, doors, roofing and other finishing materials, form a package with is transported to the building site to be assembled. These packages are offered either from standard plans or customized for the purchaser.

**Log Hand-crafted** log homes are custom fabricated using large full tree size material which is either left in the round or squared to some degree. A variety of joinery is used in the fabrication of these structures by skilled craftsmen and specialized equipment. The hand-crafted logs and structural timbers, along with windows, doors, roofing and other finishing materials form a package which is transported to the building site to be assembled.

(Source: A Structural Profile of the Manufactured Housing Industry in Canada, United States, Japan and Germany, 1996)

Appendix C

## Regional Summaries

## B.C. Region

Export Revenues

Twenty respondents of the manufactured housing survey were from British Columbia. Most of the respondents in B.C. were manufacturers with annual revenues of less than $5 million, but whose export revenues were greater than $500,000.

**Manufacturer's Total Annual Revenues**

| | Number of B.C. Respondents |
|---|---|
| Under $5 Million | 12 |
| $5 Million or over | 2 |
| Total | 14* |

**Manufacturer's Annual Export Revenues**

| | Number of B.C. Respondents |
|---|---|
| Under $500,000 | 4 |
| $500,000 or over | 13 |
| Total | 17* |

**Importance Placed on Exports in the Future by B.C. Manufacturers**

| | Number of Respondents |
|---|---|
| Not too important | 1 |
| Somewhat important | 1 |
| Very important | 17 |
| All | 19* |

*In some cases respondents declined to answer particular questions, as a result total respondents vary.

Key Export Markets for B.C. Manufacturers

Respondents from B.C. report that:

- Seventeen manufacturers have Japan as their largest and most important export customer, followed by the U.S. and Germany
- Other markets reported as export destinations for B.C. exporters are: Taiwan, Korea, Hawaii, China, Russia

Export Expectations

Of the five manufacturers exporting to the U.S. all expect export sales to increase modestly to this market over the next 5 years. With the exception of two large volume exporters, all of the manufacturers exporting to Japan have experienced a decrease in sales in the last few years. All (15) but one of the exporters expect the economic situation in Japan to turnaround and anticipate an increase of sales to Japan over the next

two years. The six manufacturers exporting to Germany also expect an increase to this market in the short term.

Requested Export Products and Services not Currently Available

The products that manufacturers would most like a federal department or agency to offer would be:

- Government collection agencies like in the U.S.
- More leads for salespeople
- Information about earthquakes, winds
- Information on codes

Information Receipt

Respondents from the B.C. region would prefer receiving information by fax and e-mail.

Requested Information for the B.C. Region

Information that B.C. manufacturers would find most useful would be:

- Business culture, customs and practices
- business opportunities
- tariff and related duty information
- building technology, materials and products in foreign markets
- foreign competitor analysis
- pricing analysis of products and services
- process for certification of products and services
- building code information
- foreign contacts

Requested Services in B.C.

- incoming buyers missions
- marketing and promotion of the Canadian housing system in foreign markets
- overseas training in wood-frame construction techniques
- a brand designation for Canadian-built homes
- a warranty program for foreign buyers of Canadian homes
- matching foreign buyers with Canadian sellers
- financing and access to credit
- consulting service with housing experts

Manufactured housing exports that are increasing in the B.C. region

- Log
- Pre-engineered and panelized

## Prairies Region

Export Revenues

Nine respondents of the manufactured housing survey were from Manitoba, Saskatchewan and Alberta. All of the respondents reported that their export revenues were less than domestic revenues.

**Manufacturer's Total Annual Revenues**

| | Number of Prairies Respondents |
|---|---|
| Under $5 Million | 2 |
| $5 Million or over | 5 |
| Total | 7* |

**Manufacturer's Annual Export Revenues**

| | Number of Prairies Respondents |
|---|---|
| Under $500,000 | 2 |
| $500,000 or over | 5 |
| Total | 7* |

**Importance Placed on Exports in the Future by Prairie Region Manufacturers**

| | Number of Prairies Respondents |
|---|---|
| Somewhat important | 4 |
| Very important | 7 |
| All | 11* |

*In some cases respondents declined to answer particular questions, as a result total respondents vary.

Key Export Markets for Prairie Region Manufacturers

Respondents from the Prairies region report that:

- Six manufacturers have the U.S. as their largest and most important export customer.
- Germany and Japan are export destinations for two more manufacturers.
- Other markets reported as export destinations for Prairie exporters are: Austria, Mexico, South America, Asia

Export Expectations

All of the manufacturers exporting from the Prairies region to the U.S. expect sales to this destination to increase over the next 5 years, with most expecting a modest increase of between 1-24% of sales. Even though the Prairie exporters currently exporting to Japan are reporting decreasing sales to this region, most are optimistic that this is a short term decline, and all are optimistic that export sales to Japan will increase over the next two years. Manufacturers exporting to Germany are mixed about their expectations over the next two years. Two respondents expect an increase, and one exporter anticipates a decrease in sales to Germany over the next two years.

Requested Export Products and Services not Currently Available

The products that manufacturers would most like a federal department or agency to offer would be:

- Credit information on purchasers
- Information on cross border movement to the U.S.
- Dealing with foreign labor

Requested Information for the Prairies Region

Information that Prairie manufacturers would find most useful would be:

- business opportunities
- tariff and related duty information
- building technology, materials and products in foreign markets
- risk assessment of doing business
- foreign competitor analysis
- pricing analysis of products and services
- process for certification of products and services
- building code information
- foreign contacts

Requested Services in Prairies

- incoming buyers missions
- marketing and promotion of the Canadian housing system in foreign markets
- overseas training in woodframe construction techniques
- a brand designation for Canadian-built homes
- financing and access to credit
- consulting service with housing experts

Manufactured housing exports that are increasing in the Prairies region

- Pre-engineered
- Panelized housing
- Log

## Ontario Region

Export Revenues

Sixteen respondents of the manufactured housing survey were from Ontario. Just less than half of the manufacturers surveyed from Ontario report that their export revenues are greater than their domestic revenues.

**Manufacturer's Total Annual Revenues**

| | Number of Respondents |
|---|---|
| Under $5 Million | 1 |
| $5 Million or over | 3 |
| Total | 4* |

**Manufacturer's Annual Export Revenues**

| | Number of Respondents |
|---|---|
| Under $500,000 | 7 |
| $500,000 or over | 4 |
| Total | 11* |

**Importance Placed on Exports in the Future by Ontario Manufacturers**

| | Number of Respondents |
|---|---|
| Somewhat important | 4 |
| Very important | 12 |
| All | 16* |

*In some cases respondents declined to answer particular questions, as a result total respondents vary.

Key Export Markets for Ontario Manufacturers

Respondents from Ontario report that:

- The U.S. is the largest export market
- Germany and Japan are also important export destination.
- Other markets reported as important for Ontario exporters are: Caribbean, South Korea, Croatia and other eastern block countries, Venezuela, Peru, Ecuador
- Other markets to a lesser degree are India, Mali, Mexico, Cuba

Export Expectations

Of the 8 Ontario manufacturers who responded when asked if they anticipated sales to the U.S. to increase or decrease, 7 indicated that sales would continue to increase. Ontario manufacturers exporting to Japan also report they are confident that export sales will increase and each plans to continue to export Japan. Manufacturers exporting to Germany also expect sales to increase over the next two years.

Requested Export Products and Services not Currently Available

The products that manufacturers would most like a federal department or agency to offer would be:

- Finalizing and screening prospective customers

- Matching up with appropriate companies
- How to obtain short term work permits in the U.S.

Information Receipt in Ontario

Ontario manufacturers would most like to receive printed information by fax and e-mail.

Requested Information for Ontario

Information that Ontario manufacturers would find most useful would be:

- Housing market analysis
- business opportunities
- building technology, materials and products in foreign markets
- risk assessment of doing business
- foreign competitor analysis
- pricing analysis of products and services
- process for certification of products and services
- building code information
- foreign contacts

Requested Services in Ontario

- marketing and promotion of the Canadian housing system in foreign markets
- matching foreign buyers and Canadian sellers
- financing and access to credit

Manufactured housing exports that are increasing in Ontario

- Panelized housing
- Pre-engineered and panelized
- Modular buildings
- Log

## Quebec Region

Export Revenues

Five respondents of the manufactured housing survey were from Quebec. Two of the manufacturers from Quebec report that export revenues are greater than their domestic revenues.

**Manufacturer's Total Annual Revenues**

| | Number of Respondents |
|---|---|
| Under $5 Million | 1 |
| $5 Million or over | 3 |
| Total | 4* |

**Manufacturer's Annual Export Revenues**

| | Number of Respondents |
|---|---|
| Under $500,000 | 1 |
| $500,000 or over | 3 |
| | 4* |

**Importance Placed on Exports in the Future by Quebec Manufacturers**

| | Number of Respondents |
|---|---|
| Somewhat important | 0 |
| Very important | 5 |
| All | 5* |

*In some cases respondents declined to answer particular questions, as a result total respondents vary.

Key Export Markets for Quebec Manufacturers

Respondents from Quebec report that:

- Japan, U.S. and Germany are the most important export markets for each of the five respondents exporting to these markets.
- Other markets to a lesser degree are Russia, Chile, Poland, South America, Czech Republic

Export Expectations

Manufacturers exporting to the U.S. expect sales to continue to increase by less than 50% over the short term. Manufacturers exporting to Japan report they are confident that the market will pick up, sales will increase and each plans to continue to export to Japan. Manufacturers exporting to Germany also expect sales to increase over the next two years.

Export Products and Services

The products that manufacturers would most like a federal department or agency to offer would be:

- Information on building codes equivalence and compatability
- Information on local restrictions or regulations that could affect product distribution

- Information from embassies about local companies and businesses

Information Receipt in Quebec

Quebec manufacturers would like to receive printed information by fax and e-mail, and in discussions with a knowledgeable individual.

Requested Information for Quebec

Information that Quebec manufacturers would find most useful would be:

- business opportunities
- tariff and related duty information
- building technology, materials and products in foreign markets
- channels of distribution
- foreign competitor analysis
- pricing analysis of products and services
- process for certification of products and services
- building code information
- foreign contacts

Requested Services in Quebec

- financing and access to credit
- Team Canada missions
- Team Canada pavilions at trade shows
- Warranty program for foreign buyers of Canadian homes
- Services to assist in the translation and printing of documentation

Manufactured housing exports that are increasing in Quebec

- Panelized housing
- Pre-engineered
- Modular buildings

## Atlantic Region

Export Revenues

Nine respondents of the manufactured housing survey were from provinces within Atlantic Canada. Compared to the rest of Canada, the manufacturers in this region rely to a lesser extent on export sales as their primary source of revenue. Only 1 of the manufacturers from Atlantic Canada reports that export revenues are greater than its domestic revenues.

**Manufacturer's Approximate Annual Volume of Exports**

| | Number of Respondents |
|---|---|
| Under $500,000 | 3 |
| $500,000 or over | 4 |
| | 7 |

**Importance Placed on Exports in the Future by Atlantic Manufacturers**

| | Number of Respondents |
|---|---|
| Somewhat important | 1 |
| Very important | 6 |
| All | 7 |

Key Export Markets for Atlantic Manufacturers

Respondents from Atlantic Canada report that:

- Germany is the most important export market with three respondents exporting to this market. Another important export market is the U.S.
- Other markets to a lesser degree are Japan, China, Poland, Iceland, UK, and Chile.

Export Expectations

All four Atlantic manufacturers currently exporting to Germany expect exports to Germany to continue to grow over the short term.

Export Products and Services

The services that manufacturers would most like a federal department or agency to offer would be:

- code efforts that would increase the acceptance of Canadian codes in Germany
- identifying foreign contacts and help with the promotion of Canadian housing products which could include trade shows
- assistance in identifying legal and technical barriers in Germany.

Information Receipt in Atlantic Canada

Atlantic manufacturers would like to receive printed information by fax and e-mail.

Requested Information for Atlantic Canada

Information that Atlantic manufacturers would find most useful would be:

- housing market analysis
- business culture, customs and practices

- business opportunities
- building technology, materials and products in foreign markets
- channels of distribution
- foreign competitor analysis
- pricing analysis of products and services
- process for certification of products and services
- building code information
- foreign contacts

Requested Services in Atlantic Canada

- marketing and promotion of the Canadian housing system in foreign markets
- financing and access to credit
- matching foreign buyers with Canadian sellers
- Team Canada missions
- Team Canada pavilions at trade shows
- Warranty program for foreign buyers of Canadian homes

Manufactured housing exports that are increasing in Atlantic Canada

- Panelized housing
- Pre-engineered
- Modular buildings

Appendix D

## Geographic Location of Manufactured Housing Firms Participating in Survey

***British Columbia***

| Company Name | Location |
|---|---|
| Old Yale Log Homes | Chilliwack |
| Maple Homes Canada Ltd | Richmond |
| Columbia Cedar Products Ltd. | Armstrong |
| Norse Log Homes | Lantzville |
| Japan-Canadian Log Ark Ltd. | Maple Ridge |
| Daizen Log-Tech Ltd. | Parksville |
| Northern Log Homes Ltd. | Kelowna |
| Canadian Homes Intl Ltd. | Chilliwack |
| Canadian Habitat International | Burnaby |
| Douglas Manufactured Homes Ltd. | Delta |
| Tomco Wood Products Ltd. | Kamloops |
| Tamlin Intl. Homes Co. Ltd. | Langley |
| Fiscus Homes | North Vancouver |
| Arcadia Log Homes | Surrey |
| Westwood Building Systems | Surrey |
| Mammone Group | Kelowna |
| Panabode International Ltd. | Richmond |
| Trans Pac Housing Inc. | Burnaby |
| Panafab Cedar Homes Ltd. | Burnaby |

***Alberta***

| Company Name | Location |
|---|---|
| Viking Log Homes | Lacombe |
| Nelson Homes | Lloydminster |
| All Span Building Systems Ltd. | Cochrane |
| Nascor Inc. | Calgary |
| New World Building Systems | Airdrie |

***Saskatchewan***

| Company Name | Location |
|---|---|
| | |
| Deneschuk Homes Ltd. | Yorkton |
| Nu-Fab Buildings Products Ltd. | Saskatoon |

***Manitoba***

| Company Name | Location |
|---|---|
| Newton Homes | Newton |
| Olympic Building Systems | Winnipeg |

Ontario

| Company Name | Location |
|---|---|
| OA X Ports Inc. | Barrie |
| North Country Log Homes | Chapleau |
| Rockett Homes International | Mississauga |
| Royal Homes Limited | Wingham |
| John DeVries | Tweed |
| Gold Estate Homes Intl Inc. | Concord |
| Quality Manufactured Homes Ltd | Kenilworth |
| Canadiana Homes | Dundas |
| Construction Aosobec Inc. | |
| Maple Leaf Custom Homes | Echo Bay |
| MNG Plastics Limited | Renfrew |
| Normerica Building Systems Inc. | Markham |
| Baltic Pre-Engineered Structures | Mississauga |
| Beagle Construction | Hamilton |
| Amisk Intl Building System Inc. | Scarborough |
| Viceroy | Toronto |
| Guildcrest | Morewood |

*Quebec*

| Company Name | Location |
|---|---|
| Demtec | Princeville |
| Maisons d'Autrefois du Quebec | Sainte-Agathe-des-Monts |
| Systeme Digigraph | Boucherville |
| Mic Alouette Intl. Housing | Montreal |
| T.D. Intl. | Laurentides |

*New Brunswick*

| Company Name | Location |
|---|---|
| MMH Prestige Homes Inc. | Sussex |
| Kent Homes Ltd. | Moncton |

*Nova Scotia*

| Company Name | Location |
|---|---|
| Zuriel Global Exports | Yarmouth |
| Heritage Cedar Homes | Halifax |
| Timberstone Log Homes | Berwick |
| Kenomee Log Homes | Economy |
| Scotian Homes | Enfield |
| Interhabs Ltd. | Halifax |

*Prince Edward Island*

| Company Name | Location |
|---|---|
| Atlantic Canada Home Inc. | Charlottetown |

Appendix E

**Top 50 Markets**
**Canadian Prefabricated Building Exports**

(** Denotes State)

| *Rank* | *Country/State* | *Exports 1998* | *Exports 1997* |
|---|---|---|---|
| 1 | United States | 220.976 | 135.328 |
| 2 | Japan | 88.802 | 181.671 |
| 3 | **New York | 22.892 | 11.253 |
| 4 | **Maine | 17.291 | 12.125 |
| 5 | **Washington | 16.055 | 13.009 |
| 6 | Germany | 15.500 | 17.536 |
| 7 | **North Dakota | 10.209 | 5.531 |
| 8 | **California | 9.787 | 8.129 |
| 9 | **Minnesota | 9.071 | 1.876 |
| 10 | **Florida | 8.996 | 5.393 |
| 11 | **Texas | 8.546 | 3.322 |
| 12 | **Arkansas | 8.427 | 0.277 |
| 13 | **Michigan | 8.319 | 4.946 |
| 14 | **Montana | 6.790 | 1.876 |
| 15 | **Massachusetts | 6.783 | 3.765 |
| 16 | **Illinois | 6.641 | 3.770 |
| 17 | **Ohio | 6.597 | 2.939 |
| 18 | **Virginia | 6.128 | 2.991 |
| 19 | **North Carolina | 5.832 | 2.780 |
| 20 | **Wisconsin | 5.443 | 2.779 |
| 21 | **Georgia | 5.033 | 2.795 |
| 22 | **Pennsylvania | 4.867 | 1.601 |
| 23 | China | 4.852 | 5.463 |
| 24 | **Indiana | 4.833 | .419 |
| 25 | **Oregon | 4.739 | 2.199 |
| 26 | **Poland | 4.639 | 2.374 |
| 27 | **Colorado | 4.481 | 3.617 |
| 28 | **New Hampshire | 4.075 | 2.067 |
| 29 | **New Jersey | 3.984 | 5.683 |
| 30 | **Iowa | 3.546 | .715 |
| 31 | United Kingdom | 2.918 | 2.719 |
| 32 | **Vermont | 2.603 | 1.128 |
| 33 | Russia | 2.515 | 4.491 |
| 34 | **Arizona | 2.316 | 4.491 |
| 35 | France | 2.242 | 2.729 |
| 36 | Peru | 2.231 | .402 |
| 37 | Chile | 1.998 | 2.535 |
| 38 | Cuba | 1.987 | 1.754 |
| 39 | Spain | 1.925 | 1.888 |
| 40 | Algeria | 1.679 | 1.264 |
| 41 | **Connecticut | 1.565 | .170 |

| | | | |
|---|---|---|---|
| 42 | Argentina | 1.403 | .616 |
| 43 | Saudi Arabia | 1.328 | N/A |
| 44 | **Louisiana | 1.296 | .746 |
| 45 | Switzerland | 1.289 | 1.593 |
| 46 | **Tennessee | 1.248 | 2.168 |
| 47 | South Korea | 1.246 | 10.880 |
| 48 | **Maryland | 1.240 | .584 |
| 49 | Netherlands | 1.124 | .712 |
| 50 | **Idaho | 1.074 | .715 |

Source: Industry Canada compilation based on Statistics Canada data

Appendix F

## Additional Product and Service Suggestions from Survey

*"Want to get on the internet, would like a website"*
*"How to obtain short term work permits in the U.S.; procedures on tradesmen applications"*
*"Transportation methods available for exporting products"*
*"Attributes of Canadian housing regarding earthquakes. Cannot get any information on earthquakes"*
*"Up-to-date market intelligence"*
*"Basic code requirements in English for destination location"*
*"Information on how to sell technology transfer"*
*"Need language and translation help"*
*"Government agencies visit my plant and become more knowledgeable about my products"*
*"Up-to-date market intelligence"*
*"Reports done by CMHC are too expensive – should be made available in libraries because long term value is limited"*
*"Services to assist in the translation and printing of our documentation"*
*"Technical area needs lots of data on codes"*
*"Info about earthquakes, winds, etc."*
*"Funding for tradeshows. Need language help in other countries"*